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Austro-Marxism: The Ideology of Unity

Changing the World: The Politics of Austro-Marxism

VOLUME II

Edited by
Mark E. Blum and William Smaldone

BRILL

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Preface

In his famous sixteenth thesis on Feuerbach, Karl Marx asserted that, ‘The philosophers have always interpreted the world, in various ways; the point, however, is to change it.’¹ In the first volume of this collection, we provide a selection of documents that illustrate how leading Austro-Marxist thinkers interpreted the world. In this volume we turn to their concrete efforts to change it.

The Austro-Marxists played a major role in Central European politics from the first decade of the twentieth century until the destruction of the Social Democratic movements in Germany in 1933 and Austria in 1934. Corresponding with this timeframe, we have organised this work into four main sections, each of which represents a discrete period in the political history of Austro-Marxism. The first period, from roughly 1900 to 1914, represents the formative period of Austro-Marxist politics, as a new generation of political intellectuals emerged within the context of the Austro-Hungarian polity and began to put its stamp on the growing Social Democratic movement.² Although Austro-Marxism was primarily an Austrian phenomenon, it is important to recognise that one of its key exponents, Rudolf Hilferding, after maturing in the Austro-Hungarian milieu, spent most of his intellectual and political career in Germany. For that reason, introductory sections in this volume will also give attention to developments in that country.

The second period spans the years from the outbreak of the First World War to the consolidation of the German and Austrian republics in the early twenties. This was a time of intense crisis as the divided workers’ movements in Central Europe grappled with the issue of whether or not to support the war, the collapse of the German and Austrian Empires, and the rise of Bolshevism. A brief moment of relative political and economic calm followed the stabilisation of the German and Austrian republics. Section three examines Austro-Marxist politics in this period from the early twenties to the high tide of Social Democratic electoral support in 1927–8 and the subsequent onset of political and economic crises in both countries. The fourth and final section deals with the

1 Marx 1978, p. 146.

2 I am using the term ‘political intellectuals’ here in the sense used by Ernst Hanisch. The Austro-Marxists were not intellectuals who intended to stand outside or above politics. On the contrary, they aimed to combine theory and practice. See Hanisch’s remarks in Amon and Teichgräber 2010, pp. 128–9.

collapse of the German and Austrian republics and the concomitant end of Austro-Marxism as a practical political current.

As is the case in Volume One, the documents selected here are mainly drawn from the works of Max Adler, Otto Bauer, Rudolf Hilferding, and Karl Renner. These four thinkers were the primary creators of Austro-Marxist thought and the latter three were its most important practitioners. The collection gives particular weight, however, to the works of Bauer and Hilferding, who, after 1918, were dominant figures in their respective Austrian and German Social Democratic movements. Neither served as an official party leader (Karl Seitz headed the Austrian Party as did Otto Wels in Germany), but each commanded enormous respect as the leading party theorist, each sat in the party executive committee, and each played an important role in the press and parliament. Thus, Bauer and Hilferding exerted powerful influence on Europe's largest and best organised socialist parties during the interwar period. They may not have always agreed with one another on theoretical or practical matters, but their basic politics reflected the same ethical and practical inclinations they learned as young political intellectuals in Vienna at the turn of the century.

In addition to the works of Bauer and Hilferding, we have also given considerable space to those of Karl Renner, another key Austro-Marxist thinker and politician. Renner was not only a prodigious author on a wide range of theoretical and practical matters, but he also served as first Prime Minister of the Austrian Republic from 1918–19, was a leading parliamentarian, and a member of the party executive. His ideas carried weight within the party and he often criticised the politics of his comrade, Otto Bauer, from the right. Both during the war and during the onset of Austria's terminal crisis in the late twenties, Renner was a major figure in party political debates.

While Max Adler was a major intellectual figure among the Austro-Marxists, he was much less involved with day-to-day Social Democratic policy making. He did, however, intervene in many of the party's programmatic debates in the inter-war years and put forward especially controversial ideas on the nature of democracy and dictatorship. We have included a selection of those here, along with several contributions by Friedrich Adler writing on these issues, from a different perspective, as well as on matters related to the reconstruction of the International after the war.

The Austro-Marxists were enormously productive and the breadth and depth of their output of newspaper and journal articles, speeches, and books is astonishing. Although there is a nine-volume German language collection of Otto Bauer's works, it remains incomplete and there are no comprehensive collections of the works of the other figures discussed here in any language. The purpose of these volumes is, for the first time, to provide a broad selection

of Austro-Marxist works, and thus a selection of the essential ideas of these thinkers, to English-speaking audiences.³

Readers might note certain differences of approach, translation, and/or interpretation between these volumes. While the two of us, in general, share a common understanding of Austro-Marxism, readers of Volume I, for which Mark E. Blum is primarily responsible, may note his focus on psycho-historical analyses of Austro-Marxism's emergence and development, while readers of Volume II, for which William Smaldone is responsible, may discern a more materialist approach.

I would like to express my thanks to my co-editor. His enthusiasm and encouragement were essential to our project's successful completion. In addition, I would also like to thank the Verein für die Geschichte der Arbeiterbewegung Wien for its cooperation, and Willamette University for its financial support, especially during the early stages of the work. Finally, a special word of thanks is in order for Jennifer Jopp, whose advice, good cheer, and patience was absolutely essential to the completion of this collection.

3 We have also chosen not to replicate a number of important works already available in translation. See, for example, the texts translated and edited by Tom Bottomore and Patrick Goode in *Austro-Marxism* (1978).

Introduction

On 1 May 1893 Viennese students Karl Renner (23), Rudolf Hilferding (16), and Max Adler (20) proudly and enthusiastically joined the ranks of tens of thousands of people as they marched through the streets of Vienna to mark International Workers' Day. These young men already knew one another from their participation in a student group that met regularly in a local café, the Heiliger Leopold, to discuss socialist literature. Now they were going into the streets as part of a mass movement, whose growing international influence was marked by worker rallies across the continent. Proclaimed by the newly formed Socialist International in 1889, May Day demonstrations aimed to generate support for the eight-hour day and other reforms to benefit workers. Like other socialist parties throughout Europe, Austria's Social Democratic Workers' Party (SDAP) mobilised its own following for the rally, and the three friends were thrilled to march behind the party's top leaders.

The Austro-Hungarian monarchy did not welcome such demonstrations, however, and hostile police were out in force. When the marchers began to sing songs calling for a republic, indeed, a 'red republic,' the police intervened and arrested some of the students. Fortunately for those arrested, the intellectual leader of the group, Julius Sesser, had family connections with a high-ranking judge and was able to facilitate their release the next day. This event had two more important results, however: first, it put the students on the radar screen of the police, who put them under surveillance; second, it brought them considerable prestige among party leaders, who began to pay more attention to them.¹

Police surveillance did not deter the young socialists. The student group changed its meeting place every week and also moved the discussion out of doors as Renner, Adler, and Hilferding often walked the streets until the early morning hours talking about the ideas of Immanuel Kant, Ernst Mach, Karl Marx, and others. Two years later they participated in the creation of the *Freie Vereinigung Sozialistischer Studenten und Akademiker* (The Free Association of Socialist Students and Academics), chaired by Max Adler. This organisation had no official connection to the SDAP, but party leaders such as Victor Adler and Engelbert Pernerstorfer promoted its formation and 'for three decades [it was] the intellectual and social meeting place of all the socialist students at the University of Vienna'. Many participants rose into the leadership of the

1 Renner 1946, pp. 250–1.

SDAP. By 1899 Hilferding had succeeded Adler as chair and Otto Bauer joined the group after his arrival at the University of Vienna a year later.²

The four young men who later became the chief exponents of Austro-Marxism came to know one another and to work together at a propitious time for the Austrian labour movement. Socialism was on the rise. Like the International, the SDAP recently had emerged as a united organisation after decades of government repression and internal division between groups of 'radicals' and 'moderates'. Under Victor Adler's leadership, the factions came together at the Hainfeld Congress of 1889, where they passed a party programme whose basic principles – with some adjustments – would guide the party's outlook and political practice long into the future. Initially drafted by Adler, who was known more for his practical skills than his theoretical acumen, it was revised by Karl Kautsky, the editor of German Social Democracy's leading theoretical journal, *Die Neue Zeit*, and one of Europe's foremost interpreters of Marx.

The Hainfeld Programme, like its more famous counterpart, German Social Democracy's *Erfurt Programme* of 1891 – also written by Kautsky along with Eduard Bernstein – was divided into two main parts. The first part laid out a set of basic principles resting largely upon a Marxist understanding of capitalist development. The fundamental cause of inequality, it asserts, does not rest upon faulty political institutions, but rather upon the private ownership of the means of production, which ensures the exploitation of those who own only their ability to work. This relationship, secured by the capitalist state, is responsible for the 'economic dependence', 'political powerlessness', and 'stunted intellectual growth' of the people and for the 'mass poverty and growing misery for ever broader strata of the population'. Although the colossal growth of the productive forces creates the potential for enriching the whole of society, this cannot be achieved unless the means of production are transformed into the common ownership of the whole people. This transformation is the historically necessary task of the class-conscious proletariat organised as a political party. To organise the proletariat, to make it conscious of its tasks, and to prepare it for the struggle to 'liberate the entire people, regardless of nationality, race, or gender', the party was prepared to use all 'practically and legally acceptable means'.³

The second part of the programme asserts that the SDAP is an international party and condemns the privileges of nations, of birth, and of gender. It then raises a host of concrete demands for civil rights, protective labour legisla-

2 Renner 1946, pp. 245, 250, 279; Kurata 1975, p. 23.

3 The entire text of the programme is provided in Part 1.

tion, free public education, the eight-hour day, progressive income taxes, trade union rights, separation of church and state, the replacement of the standing army with a popular militia, and the introduction of universal, direct, equal, and secret suffrage (regardless of gender). For the Social Democrats the franchise was especially important. In their view, the lever of economic transformation is class struggle, but the latter could be carried out with less violence and fewer victims the more the ruling classes were prepared to concede basic democratic rights, such as participation in elections and in governance, to the masses.

As Peter Kulemann has pointed out, the basic difficulty of the Hainfeld Programme (and virtually all other Social Democratic programmes in this period) was the lack of a clear connection between the radical conclusions of its theoretical section and the reforms that constitute its list of immediate demands.⁴ There is no discussion of the strategies and tactics that would set the party on the road to power. It is implied in the text that the ruling classes would pay a heavy price for not respecting workers' rights, but how the party would take power and transform society is not discussed. Instead, the emphasis is placed on what can be done within capitalism.

Of course, the party's immediate demands were very substantial and would in themselves be very difficult to achieve. The Austro-Hungarian 'Dual Monarchy', in which Emperor Franz Joseph was also King of Hungary, was a semi-absolutist regime that, until 1897, denied the franchise to workers, allotted minimal powers to representative bodies to which only the propertied had access, and concentrated decisive power in the executive branch. The society stood under the strong influence of the reactionary Catholic Church, civil liberties were not guaranteed, and the labour movement was periodically subject to repression.

Organising a mass movement within the multi-national Austro-Hungarian polity was even more challenging. It was not simply a practical matter of overcoming linguistic and cultural barriers; it was also the problem of building a unified, centrally organised political movement in a state in which ethnic nationalism was on the rise and the drive for local autonomy or independence in different regions, such as Hungary, Bohemia and Moravia, and South Slav areas was strong. Ethnic tensions throughout the Empire increased as industrialisation brought about increased mobility and urbanisation and intensified competition for employment, housing, and access to services such as education. Conflict often exploded over cultural matters, especially the issue of lan-

4 Kulemann 1979, pp. 76–7.

guage in school and other public institutions. Such problems were especially intense in German-speaking Vienna, where immigration from throughout the Empire fueled widespread anti-immigrant sentiments.

Although the SDAP organised workers only in the northwestern (Cisleithanian) regions of the Empire, this did not make the nationalities question any less vexing. Hainfeld only addressed the issue by condemning the privileging of any nation and proclaiming the party's internationalism, but within a few years, Czech, Polish, Italian, and South Slav Social Democrats began pushing for extensive party and trade union autonomy within their own territories. The SDAP responded by federalising its organisation and, in 1899, it issued its Brünn Programme on the nationalities question, in which it called for reorganising Austria into a democratic, federal state. Historic crown lands would receive broad autonomy to manage their own affairs and the rights of all minorities would be guaranteed through legislation provided by a national parliament. The programme did not suggest that the various territories had the right to secede. On the contrary, Social Democracy had now firmly established its support for the maintenance of the Austrian polity, a position that also implied that the SDAP – theoretically a revolutionary party – had a common interest with the Austrian state.⁵ Whether that state or even the Social Democratic movement within it could remain united remained to be seen.

The SDAP's programmatic documents illustrate well the wide range of the movement's concerns in its early years, just as the young Austro-Marxists joined the fold. They also show that a yawning gulf existed between the party's revolutionary demand for the establishment of a socialist society and the myriad issues that demanded its attention in day-to-day praxis. This dichotomy reflected the basic view held by Kautsky, Victor Adler, and most party leaders in Austria (and elsewhere) that the SDAP was a revolutionary, but not a revolution-making party. As Gary Steenson has noted, Kautsky believed that the 'social question' could not be resolved within existing society, but the revolution was not something that could be decreed. It could only arise as a result of three essential conditions: a general and profound discontent engendered by economic and political pressures; a catalytic event such as famine or war; and the inability of the existing states to cope with the revolutionary situation. The Social Democratic Party's job was 'not to organise the revolution, but to organise for the revolution; not to make the revolution, but to use it'.⁶

5 Kulemann 1975, pp. 120–3; Löw, Mattl, and Pfabigan 1986, p. 16. The text of the Brünn Programme is also provided in Part 1.

6 Steenson 1978, p. 78.

Under the influence of Kautsky and the revered party founder, Victor Adler, the Austro-Marxists adopted this general outlook. Over the course of their careers all would venture to criticise various aspects of Kautsky's views, but on this question they remained consistent.

In 1927, looking back at over a quarter century of theoretical work and political experience, Otto Bauer noted that the Austro-Marxists 'were united not so much by a specific political orientation as by the particular nature of their scholarly work'.⁷ This work, as we have attempted to illustrate in Volume One, reflected their intention of engaging Marxist critics in a wide range of disciplines and in further developing Marxism by placing it in communication with the work of Kant, Mach, and others. As Tom Bottomore has emphasised, however, it is essential also to recognise that, as students of Carl Grünberg, of one of Europe's few 'professorial Marxists', Renner, Hilferding, Max Adler, Bauer, and other Austro-Marxists came to conceive of Marxism 'as a social science, which should be developed in a rigorous and systematic way through historical and sociological investigations'. They brought this perspective to bear in their wide-ranging examinations of modern society.

Of equal importance was Bauer's emphasis on Austro-Marxism as 'the product of unity and a force for the maintenance of unity'. He reminds his readers of Victor Adler's historic achievement in unifying the radical and moderate factions at Hainfeld and of the major accomplishment of holding together German, Czech, Polish, Ukrainian, Slovenian, and Italian Social Democrats in one party for two decades. This experience shaped the emergence of Austro-Marxism as an intellectual force as it 'handed down to us the will – and even the fanaticism – for unity and the great art of keeping the most diverse sections of the working class together in a living unity'. For Bauer, the great achievement of Austro-Marxism following the Bolshevik Revolution was the avoidance of a split between one workers' party focusing on 'sober, day-to-day Realpolitik' and another that embodied 'the revolutionary will to attain the ultimate goal'. The Linz Programme of 1926, he asserted, served to unify the movement by synthesising both of these elements. It exemplified what he meant by Austro-Marxism.⁸

Bauer's depiction of the importance of unity in the Austro-Marxist outlook is compelling, though he exaggerates the party's success in holding itself together. By 1910 perceived conflicts of interest led the non-German Social Democratic Parties within the empire to establish their independence from the

7 Bauer, 'What is Austro-Marxism?' in Bottomore and Good 1978, p. 45.

8 Bauer in Bottomore and Good 1978, p. 47.

SDAP, as did the non-German trade unions, and relations among these groups were often hostile. In addition, Bauer did not perceive the powerful tendency that developed in the SDAP to avoid direct confrontation and to put forward ambiguous compromises that in certain situations, such as in the revolutionary period after 1918, undermined the development of clear policies.⁹ An example of this tendency can be discerned in the introduction to the inaugural issue of *Marx-Studien*, edited by Hilferding and Max Adler. At a time when European Marxism was rent by an intense conflict between a 'revisionist' minority that backed Eduard Bernstein's effort to rethink Marxist theory and put the movement on an openly reformist path, and the 'orthodox' majority, led by Kautsky, who defended the traditional approach outlined in the Erfurt Programme, Hilferding and Adler asserted their desire to 'avoid planting a dogmatic flag'.¹⁰ In fact, however, much of their work was a defence of orthodoxy first against the revisionists on the right, and later against the radicals on the left, such as Rosa Luxemburg, who were promoting extra-parliamentary tactics, such as the mass strike, to build the movement. Though never saying so explicitly, *Finance Capital*, which was the pinnacle of Hilferding's early theoretical work, was in fact a direct refutation of Bernstein's analysis of Marxist economic theory and a defence of the gradualist, electoral focus of Social Democratic politics against a more radical, extra-parliamentary approach.¹¹

In effect, the Austro-Marxists emerged as a 'centrist' current in European Social Democracy. In the realm of theory they worked to defend fundamental principles of Marxism while also subjecting elements of it to criticism and extending its application into new spheres. In regard to Social Democratic practice, they became de facto exponents of a gradualist road to socialism via parliamentary reform. Never denying the possibility of revolution, they came to see it either as a defensive mechanism should the bourgeoisie attempt to roll back hard-won democratic rights, or as a result of a social upheaval from below, not unleashed by the party, but rather by forces outside of their immediate control.

Hilferding made this very clear in his analysis of imperialism in the age of finance capital. Arguing against those socialists who looked forward to capitalism's collapse as a result of its own internal contradictions (the great Kladderadatsch), rather than through revolutionary action, he asserted:

9 Löw 1986, p. 13.

10 Hilferding and Max Adler 1904, p. ii.

11 Smaldone 1998, p. 40.

However strong its conviction that the policy of finance capital is bound to lead towards war, and hence to the unleashing of revolutionary storms, [the proletariat] cannot abandon its implacable hostility to militarism and the war policy, nor can it in any way support capital's policy of expansion on the ground that this policy may prove to be, in the end, the most powerful factor in its own eventual triumph. On the contrary, victory can come only from an unremitting struggle against that policy, for only then will the proletariat be the beneficiary of the collapse to which it must lead, a collapse which will be political and social, not economic; for the idea of a purely economic collapse makes no sense.¹²

Thus, capitalism's overthrow will have to be political, but Hilferding stops there in his discussion of how this should come about. As it was for Kautsky, for him and his Austro-Marxist colleagues, the party's main tasks were to educate, organise, and prepare the masses for their tasks in future 'revolutionary storms'. It was not the party's task to create such upheavals of its own accord.

Hilferding, Bauer, Renner, and Max Adler threw themselves into these tasks with enormous energy. Their decision in 1903 to jointly found a school for Viennese workers, known as 'Zukunft' (Future), reflected their strong belief in the role of intellectuals as revolutionary pedagogues.¹³ By 1906 all of them had established their intellectual credentials through the publication of widely-respected works on political economy (Hilferding), the nationalities question (Bauer), law (Renner) and philosophy (Adler). While the latter established a law practice and concentrated mainly on writing, the other three moved quickly into responsible posts in the Social Democratic hierarchy. They had finished their schooling at an especially favourable time, for socialism was on the march across Central Europe. In Germany, where the semi-autocratic state had introduced universal manhood suffrage for elections to the lower house of parliament, the Reichstag, in 1871, the SPD had emerged from illegality in 1890 to quickly become a mass party backed by an expanding trade union movement and a wide range of allied cultural organisations. By 1912 the party had over one million dues-paying members and commanded over a third of the electorate, while the free trade unions had 2.5 million members. German Social Democracy's prestige and influence was unmatched in the International.¹⁴

¹² Hilferding 1985, p. 366.

¹³ Hanisch 2011, p. 87.

¹⁴ Fricke 1976, p. 245; Müller and Potthoff 1983, p. 55.

In Austria-Hungary, too, Social Democracy's advance was impressive. In 1897 the monarchy had agreed to reforms that allowed workers to vote for representatives to the National Council (Reichsrat) for the first time, but the property-based curial system kept them grossly underrepresented and the SDAP initially could only win 14 seats out of 425. In 1907, however, in the wake of the Russian Revolution of 1905 and under pressure from enormous Social Democratic street demonstrations, the crown decided to abolish the curial system and introduce a parliament based on universal manhood suffrage. This action set the stage for the SDAP's electoral breakthrough. In the election of that year it won 17 percent of the popular vote (for 87 Reichsrat seats) and suddenly became one of parliament's strongest parties. In that same year SDAP membership reached 120,000 while its allied trade unions claimed the allegiance of 500,000 workers.¹⁵

Social Democracy's organisational growth, especially its mass-circulation newspapers and specialised journals, as well as its successful electoral strategy created plenty of opportunities for well-educated, committed intellectuals. Initially trained in medicine, Hilferding gave up his career as a physician to pursue the study of political economy. In 1906 he moved to Berlin to teach at the party's newly established school for activists and became a regular contributor to the *Neue Zeit*. Within a short time he became foreign editor of the SPD's flagship newspaper, *Vorwärts*, and by 1910 rose to become chief editor. These important posts and his close relationship to Kautsky put him in proximity to top party leaders such as August Bebel.

In Austria-Hungary Bauer and Renner also quickly rose in the SDAP's ranks. In 1907 Bauer became the secretary of the party's Reichsrat delegation, a key post that brought him directly into the midst of the party leadership and taught him much about the workings of parliament. He also became a regular contributor and then social-political editor of the SDAP's top newspaper, *Die Arbeiter-Zeitung*, and co-edited, with Renner and Adolf Braun, the party's theoretical journal *Der Kampf*. Renner, who had worked since 1895 as the parliamentary librarian while simultaneously keeping his membership as a Social Democrat secret, left that post after the 1907 election brought him a seat in the Reichsrat where he was a frequent speaker. These positions in the party and its press gave the Austro-Marxists substantial leverage in debates on all aspects of party theory and practice. They were able to reach not only the intellectual and political leaders of the movement, but also the broader public.

The Austro-Marxist writings contained in this collection focus primarily, though not exclusively, on domestic politics and Social Democracy's efforts to

15 Hanisch 2011, p. 120.

realise the goals elaborated in its programme while simultaneously maintaining the unity of the movement. In Part 1, which contains documents from the decade prior to the outbreak of the First World War, the central theme is that of parliamentary politics. By 1907 male workers in Germany and Austria-Hungary had the right to vote for representatives to each country's respective parliament, but in each case the authority of the executive branch severely limited the powers of that body and, in Austria-Hungary, the effectiveness of the Reichsrat was undermined by ethnic nationalist rivalries. Bauer, Hilferding, and Renner found themselves debating about tactics to be used in parliament as well as about the relationship between parliamentary and extra-parliamentary tactics. At the same time they had to engage the problems of factionalism within the parties and within the trade unions. The documents from this period shed light on how the Austro-Marxists saw their movement in relation to their own country and how they saw their country in relation to the world. As the shadow of war loomed their frustrations with the established order was palpable, but there seemed to be few options.

Part 2 examines Austro-Marxism in war and revolution. Because the Austrian government had already prorogued the Reichsrat earlier in 1914, the SDAP was spared German Social Democracy's very public decision on 4 August to back the government war effort by voting for war credits in the Reichstag. Nevertheless, Austria's Social Democrats joined with their German comrades in supporting the war. Arguing that a 'defensive' war was justified, fearing repression and the loss of popular support, and seeing opportunities to win concessions from the government, like social democrats almost everywhere else, they felt compelled to ignore the 1907 resolution of the International's Stuttgart Congress, which called upon member parties to resist war by all possible means and, failing that, to fight with all their power to end the war and overthrow capitalism. Instead, a majority decided to back the newly proclaimed civil peace or 'Burgfrieden', which aimed to unite formerly conflicting groups, such as workers and employers, behind the war effort. Of course there was opposition to this decision from the beginning and the Burgfrieden grew increasingly fragile as the war dragged on and discontent intensified in the face of heavy losses at the front and deprivation and repression at home.¹⁶

The Austro-Marxists, like the party at large, were also divided. While Bauer and Renner supported the government's policy, Friedrich Adler, the son of Victor Adler, co-editor of *Der Kampf*, and Secretary General of the party, Max Adler, and Hilferding (in Germany) were vocal opponents of the war. By 1917, as the

16 On SDAP's position during the war see Butterwegge 1991, pp. 162–85.

Burgfrieden in Germany and Austria-Hungary began to crumble, the political landscape also shifted. After the SPD expelled the anti-war opposition, the latter organised a new Independent Social Democratic Party, in which Hilferding, after returning from wartime service as a doctor in the Austrian army, would play a leading role. In Austria, on the other hand, the SDAP remained united. On 4 October 1916 Friedrich Adler assassinated the Austrian Prime Minister, Count Stürgkh, and his trial the following spring was a sensation that brought him enormous popularity among workers. Under pressure from the growing anti-war left and sensing rising popular anger against the war, the party leadership gave ground. At the war's end, the left, now led by Bauer, who had been captured at the front by the Russians and then exchanged after the Tsar's fall, was ascendant. As occurred in Germany, with the collapse of the old regime in the autumn of 1918 power in Austria devolved to Social Democracy, the party least tainted by responsibility for the war.

Defeat, revolution, and the peace settlement fundamentally reshaped Central Europe as the Austro-Hungarian Empire broke apart, creating an independent, but weak, Austria, and as the Entente powers sought to limit Germany's power by stripping it of territory, its colonies, and its military. The Entente also forced both countries to pay large war reparations and forbade Austria from voluntarily merging with the new German Republic. In the context of political and economic dislocation and unrest Social Democratic forces in both states had to consider the kind of societies they wished to create in the post-war world. Despite their position of weakness, the Bolshevik revolution had radicalised substantial sections of the labour movement across Europe, and for many German and Austrian socialists, socialism was now on the agenda. Should the movement strive for a socialist society within the framework of a parliamentary state or should it create a 'dictatorship of the proletariat' through a government based on workers' councils? To what extent should the new revolutionary state 'socialise' the means of production and what, exactly, did socialisation mean? What were the limits of socialist transformation given Germany and Austria's defeated status and isolation in Europe and the world? The Austro-Marxists were at the centre of the debates about such issues.

After three years of civil strife, by 1921 it became apparent that the socialist movement in neither Germany nor Austria had the strength to establish a socialist order and that both societies would remain capitalist states for the foreseeable future. Social Democracy did achieve substantial democratic reforms, and new constitutions, passed in alliance with bourgeois democrats, codified the full range of civil liberties, strengthened workers' rights, and created the basis for the development of a welfare state. At the same time, however, the new parliamentary order also left the old economic elites untouched and

did little to purge those who formerly held power from their posts in the state bureaucracy, the courts, the police, and the military. For Social Democrats the primary goal in this new framework was to win parliamentary majorities that could then use the state to carry out socialist reforms. Despite the radical language often used in the party's discourse, theirs was a gradualist vision that required continued expansion of Social Democracy's constituency.

Part 3 examines Austro-Marxist efforts in this period of relative stability to set Social Democracy on the road to power via parliamentary means. In Germany, the SPD had to compete with a substantial Communist Party (KPD) that continued to agitate against the republic and for a soviet-style revolution. For most of the Weimar Republic's history the SPD remained much larger than the KPD, but the split in the movement there profoundly hindered labour's fight against fascism after 1929. In Austria, on the other hand, the SDAP's leadership skillfully managed to avoid a split, and the Austrian Communists remained a negligible factor even after the onset of the Great Depression. Indeed, in terms of its growth, Austrian Social Democracy was by far Europe's most successful party during the inter-war years. By the late twenties it commanded over 40 percent of the national vote and had over 700,000 dues-paying members in a nation with just over 6 million inhabitants. In 'Red' Vienna it regularly won large absolute majorities and its long-term control of the city council enabled it to embark on an ambitious experiment in municipal socialism that aimed to improve housing, education, health care, and cultural opportunities for workers.

Because it was difficult for any party to win an absolute majority in either the German or the Austrian parliaments, the issue of whether and when socialist parties should form coalitions with middle-class parties was a matter of ongoing debate in both countries. In Germany the SPD was willing to form coalitions with the pro-republican Catholic Centre Party and the middle-class Democratic Party during major crises, such as during the great inflation of 1923, or during apparently propitious moments, such as the one following the SPD's success in the elections of 1928. As long as this 'Weimar Coalition' could muster enough support, the republic remained secure. It was only when it lost ground to the radicals on the right and the left that the democratic order became untenable. In Austria the SDAP ruled in coalition with the Christian Social Party in the immediate post-war years, but after 1920 it went into opposition where it remained until the republic's fall. Led by the conservative Catholic prelate, Ignaz Seipel, the Christian Socials were rooted in the large peasant and small town populations of rural Austria and became the socialists' implacable opponents. As Social Democracy grew in strength they were increasingly willing to

ally themselves with radical forces on the right – especially with the fascist paramilitary Heimwehr – first to rule and, eventually, to overthrow the democratic order.

Even during the republics' relatively prosperous period following the end of hyperinflation in 1924 and the onset of the Depression in 1929, serious problems, such as high unemployment, continued, and underlying tensions between republican and anti-republican forces were palpable. Most of the major political parties built up large paramilitary formations to project their power outside the electoral arena. In Germany the SPD created the pro-republican Reichsbanner as a bulwark against the violence of right-wing paramilitary forces such as the nationalist Stahlhelm and the National Socialist (Nazi) Storm Troopers (SA). Concomitantly in Austria the SDAP created the republican Schutzbund to combat the Heimwehr. On paper the strength of the republican forces, combined with the support of the free trade unions, the cooperative movement, and the massive array of Social Democratic cultural institutions (youth organisations, athletic, theatre, singing, and reading clubs, etc.) that made up the movements' community of solidarity (Solidargemeinschaft) inspired confidence among many that the democratic order could be secured. This confidence was, however, misplaced.

The last section of this collection examines Austro-Marxist responses to the rise of fascist movements in Austria and Germany. Following the debacle of July 1927, when the SDAP sustained a serious defeat in the face of government violence on its home turf in Vienna, the party was unable to stem the Christian Socials' efforts to slowly reduce and then eliminate Austria's democracy. Over the course of the next seven years, during which the onset of the depression sapped the power of the labour movement, as did repeated failures to prevent the right from rolling back many of the economic gains made by the workers during the revolution, the SDAP, like its sister party in Germany, attempted to meet the threat of rising authoritarianism by using whatever constitutional means were available. Fearing a civil war that they no longer believed they could win, Social Democratic leaders like Bauer and Hilferding were unwilling to take the initiative against their enemies if it meant violating parliamentary norms. In both countries, however, radical nationalist forces, exemplified by the Nazis in Germany and the Christian Socials in Austria, manipulated the electoral system and used increasing amounts of terror to undermine the socialists' efforts. In Germany, Hitler was able to achieve his victory by using electoral means in March 1933 to secure government power that was then used to shut down the Reichstag and impose his dictatorship. To crush the labour movement, government and Nazi party forces soon rounded up thousands of Communist and Social Democratic activists and shut down their organisations.

Hilferding was among those able to escape into exile, where he continued working against the Nazis until his arrest in France and suicide in a Gestapo prison in early 1941.

In Austria, after having dominated the government since 1920, the Christian Socials led by Engelbert Dollfuß decided to destroy their Social Democratic and Nazi opponents by shutting down the parliament first, allying themselves with the Heimwehr and other nationalist groups, and then moving against the organisations of their rivals. In the spring of 1934 government provocations precipitated a Social Democratic workers' uprising in Vienna and a few other places. Poorly planned and poorly led, the uprising had little chance against the Austrian army and was bloodily crushed. Otto Bauer, a key figure in the planning and failed execution of the uprising, escaped into exile in Czechoslovakia where he, too, continued to oppose the dictatorship until his death in Paris in 1938. Karl Renner and Max Adler, after initially being arrested, were soon released and, after withdrawing from active political life, were able to remain in Austria relatively unmolested. Adler died of natural causes in 1937. After 1945 Renner went on to a second political career. As Social Democracy emerged from the nightmare of Nazi rule he became the first President of the Second Austrian Republic. He died in 1950.

As is well known, the defeat of Europe's strongest Social Democratic Parties at the hands of the fascists had catastrophic consequences for Europe and the world, as Nazi Germany embarked on its career of genocidal conquest. For that reason, Social Democracy's failure has justifiably garnered enormous historical interest and much ink has been spilled on the causes of its debacle. Outside of Central Europe, however, the Austro-Marxists' contribution to Social Democratic history has received relatively little attention and, until now, few of their works have been available to English-speaking audiences. That is unfortunate because their experience still speaks to us not only in regard to our understanding of the history of the European labour movement, but also about the state of the world.

From their emergence at the beginning of the twentieth century, the Austro-Marxists grappled with a range of problems that have matured in the present day. Working in the capital of one of Europe's most multi-national polities, their writings on democracy, on the nationalities question, on law, on culture, and on the rise of an increasingly transnational capitalist economy make for particularly pertinent reading in our rapidly 'globalising' world. Many of the same contradictions they encountered on a regional or continental scale have replicated today as global phenomena. Despite the production of ever greater wealth, inequality remains a vexing problem the world over and, notwithstanding the clear trend toward increasing economic integration and much talk about the

decline of the nation state and the need for more supranational institutions to manage the global system, nationalism appears to be alive and well. The model of transnational, neo-liberal governance, the European Union, currently finds itself facing increasingly powerful cultural tensions and growing nationalist centrifugal forces that threaten to tear it apart. For those casting about for solutions to such intractable problems the Austro-Marxist experience, both in theory and practice, could be instructive.

A note on the footnotes: In the documents that follow, authors' footnotes and any previous editors' comments (e.g., from Bauer's *Werkausgabe*) are denoted as in the original using Arabic numbers. My own explanatory notes are marked with asterisks.

PART 1

1889–1914: The Halcyon Days

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Introduction to Part 1

The decade preceding the outbreak of the First World War was one of great progress and frustration for Social Democracy in Germany and Austria. With the SPD and SDAP growing into mass parties allied to an even more rapidly growing trade union movement, Social Democracy in both countries seemed poised to be able to effect real political and social change. Hopes ran especially high in the wake of the Russian Revolution of 1905, in which a popular upheaval forced the Tsar to grant a constitution and create a national legislature for the first time. Hilferding certainly spoke for many when, in November of 1905, he remarked to Kautsky that ‘The collapse of Tsarism is the beginning of our revolution, of our victory, that is now drawing near ... It is the time of fulfillment, the preliminary work is done ... It is a time when one can feel proud and happy to be a Social Democrat’.¹ Two years later he must surely have felt such confidence to be vindicated when, in the face of large-scale mass demonstrations, Emperor Franz Josef agreed to introduce universal manhood suffrage in Austria-Hungary.

For most Social Democrats the task of the party seemed straightforward. It should build its following by educating and organising the masses for the struggle for socialism. The latter was a distant goal that could be worked toward via the fight for reform. Revolutionary action was conceived of largely in defensive terms, i.e., if the ruling classes tried to halt the progress of the labour movement by rolling back democratic gains already won. Although the Austro-Marxists did not rule out the usefulness of extra-parliamentary tactics (e.g., strikes and mass demonstrations) to achieve change and expressed doubts that the movement could accomplish its far-reaching aims via parliamentary means, they did not develop a clear alternative to the parliamentary road.

The limitations of this parliamentarianism soon became very clear. In Germany the constitutional prerogatives of the executive branch constricted the Reichstag’s power and the labour movement’s ability to effect change, already marginal due to the party’s lack of allies in the Reichstag, was small. Thus, despite its impressive electoral successes in the pre-1914 years, the SPD’s ability to win substantial political and social reforms was limited. The situation was even direr in Austria-Hungary, where the Reichsrat was unable to function effectively due to procedural obstruction carried out by competing parties enraged by disputes over issues such as the language of parliamentary busi-

1 Hilferding to Karl Kautsky, 14 November 1905, KDXII, 597 (1SH).

ness. Constant obstruction of parliamentary business allowed the government to repeatedly dissolve the Reichsrat and to rule by decree.

Social Democracy's impressive growth in the years prior to the First World War gave it the confidence to believe that it was marching in tandem with history and that the future belonged to socialism. The Austro-Marxists strongly shared this belief. As they encountered obstacles to the achievement of their programmatic goals, however, they were unable to formulate a clear alternative to their reliance on tactics that remained largely within the legal framework of the German and Austro-Hungarian monarchies. This logjam remained intact until it was broken by the exigencies of war.

Resolutions of the Austrian Social Democratic Party Congress at Hainfeld (30–1 December 1888 and 1 January 1889) and the Subsequent Party Congress in Vienna (Pentecost 1892)

I Declaration of Principles

The Austrian Social Democratic Party strives to liberate the entire people, regardless of nationality, race, or gender, from the chains of economic dependence, to end its political powerlessness, and to reverse its stunted intellectual growth. The cause of this undignified societal condition is not to be sought in any particular political institution, but essentially in the decisive fact that the means of production are monopolised in the hands of individual property owners. The owner of labour power, the working class, becomes thereby the slave of the owner of the means of production, the capitalist class, whose political and economic domination finds its expression in the modern state. Just as individual ownership of the means of production politically implies [the existence] of the class state, economically it means increasing mass poverty and growing misery for ever broader strata of the population.

Through technical development, the colossal growth of the productive forces demonstrates this form of ownership not only as superfluous but eliminates it for the overwhelming majority of the people, while simultaneously creating the intellectual and material conditions necessary for the form of common property. The transformation of the means of production into the common ownership of the whole people means not only the liberation of the working class, but also the fulfillment of a historically necessary development. The agent of this development can only be the class-conscious proletariat organised as a political party. To organise the proletariat politically, to make it conscious of its situation and its tasks, [and] to prepare it for struggle intellectually and physically, is therefore the real programme of Austria's Social Democratic Party, which uses all practically and legally acceptable means to carry it out. Moreover, the party must orient its tactics in accordance with [given] conditions, especially in regard to the behaviour of its opponents. It has, however, laid down the following basic principles:

1. The Social Democratic Party in Austria is an international party; it condemns the privileges of nations as well as those of birth, gender, prop-

- erty and origins and declares that the struggle against exploitation, like exploitation itself, must be international.
2. In order to disseminate socialist ideas it will make full use of all public means, [such as] *the press, associations, [and] assemblies*, and work for the elimination of all limitations to free expression [such as] laws restricting the press, association, and assembly.
 3. Without deceiving itself about the value of parliamentarianism, a modern form of class domination, it will strive for *universal, equal, and direct suffrage* regardless of gender for all representative bodies for which expenses are paid as one of the most important means of agitation and organisation.
 4. If the decline of workers' living standards and their deepening misery is to be slowed within the framework of the current economic order, it is imperative to strive for a complete and fair system of *protective labour laws* (the most extensive limitation of work time, the elimination of child labour, and so on), implemented with the cooperation of the working class, as well as the right of workers to freely establish professional organisations and unions.
 5. *Obligatory, free, and secular schooling* at the elementary and secondary levels as well as free access to all institutions of higher learning is essential to secure the future interests of the working class; a necessary precondition to that goal is the *separation of church and state* and the declaration of *religion as a private matter*.
 6. The cause of the continual danger of war is the standing army, the steadily growing burden of which alienates the nation from its cultural tasks. It follows, then, to replace the standing army by *arming the people*.
 7. In all important political and economic matters, the Social Democratic Workers' Party will represent the class interests of the proletariat, will combat all efforts to mask or hide class antagonisms, and will fight energetically the dominant parties' efforts to take advantage of the workers.
 8. Because indirect taxes on the necessities of life are a greater burden to the poorer workers, and because they are a means of exploiting and deceiving working people, we demand the elimination of all indirect taxes and the introduction of a *single, direct, and progressive income tax*.

II Resolution on Political Rights

Considering that the world historical task of the proletariat is the transformation of the economic order; that the lever of this transformation is class struggle, the course of which entails fewer victims when it unfolds more rapidly and calmly and when both sides grasp the conditions and goals of economic development with clarity and insight; that however, the dominant classes seek to use legislative and police measures to drag out and limit enlightenment, through which the movement indeed is not halted but becomes more bitter and angry, the party congress declares:

Any reduction of the freedom of expression, as well as the monopolisation of political rights for the possessing classes, is reprehensible and damaging to the course of natural development. Therefore, it demands full freedom for social democratic agitation and propaganda and the possibility of an unimpeded organisation of the proletariat. This means, therefore,

1. Rescinding limitations on the freedom of movement, hence exceptional laws, vagabondage laws, and forced removal laws;
2. Termination of limits on press freedom through the various forms of censorship and an end to the possessing classes' monopoly of the press via deposit and stamp duties, as well as the ban on door-to-door book sales;
3. The establishment of the rights of association and assembly through the rescinding of association and assembly laws;
4. The termination of the possessing class's monopoly of the franchise through the introduction of universal, equal, direct, and secret suffrage (regardless of gender and from the age of 20, when the mandatory blood tax begins for men¹) as one of the most important means of agitation and organisation, but without in any way being deluded about the value of parliamentarianism;
5. The securing of the courts' independence, the provision of free legal counsel, the expansion of the jury system to all misdemeanours and felonies, as well as the selection of juries on the basis of universal, secret suffrage by the whole people;
6. The creation and implementation of a law that would severely penalise any official who limits the political rights of individuals or associations.

1 The 'Blood Tax' refers to the male requirement of reporting for military service.

III Resolution on Protective Labour Legislation and ‘Social Reform’

What today is preferably called ‘social reform,’ the introduction of state organised workers’ insurance against sickness and accidents, originated above all from the growth of the proletarian movement, from the hope of the propertied classes to convince the workers of their benevolence, and finally from the recognition that the growing impoverishment of the people undermines their ability to serve in the military. Two additional goals are connected to the implementation of workers’ insurance: the partial transfer of the costs of poor relief from the communities to the working class, and the greatest possible restriction – where possible the elimination – of independent workers’ self-help organisations, which, as institutions for the organisational and administrative schooling and training of workers, are a thorn in the eye of the dominant classes. In light of this situation, the party congress declares:

Workers’ insurance doesn’t get at the core of the social problem at all. An institution, which in the best case provides the disabled proletarian with miserable, expensively self-financed alms, does not deserve the name ‘social reform’.

The working class will not let itself be deceived, but will disseminate the clear insight that a truly social reform must concern itself with the able worker, must have as its ultimate goal the elimination of his exploitation, and must recognise that social reform never can be implemented by the exploiters, but only by the exploited.

As long as the capitalist mode of production dominates, it is only possible partially to limit the consequences of exploitation via genuine and seamless protective labour legislation and its energetic implementation. The physical impoverishment of the working class expresses itself through *high infant mortality*, the short lifespan, and in the frequent disablement of the workers. The decline of the living standard, which reduces the worker to a dim-witted slave, makes it impossible for him to dedicate energy and time to activity for humane ends, especially his own liberation. The protective labour legislation should slow the growth of these inhuman relations to some degree.

The Austrian system of trade and industry regulation fails to fulfill this goal. Its stipulations are weak and full of loopholes; its prescriptions are subject to misunderstandings and to the arbitrariness of the bureaucracy. The industrial inspection system is ineffective, because it lacks sufficient means and its powers are extremely limited.

In order to achieve its goal, protective labour legislation must include at least the following:

1. Full freedom to organise and legal recognition of wage agreements and workers' unions.
2. The eight hour day without limitations or exceptions.
3. The elimination of night work (with the exception of those factories in which technical requirements don't allow an interruption).
4. Sundays off from Saturday evening until dawn on Monday.
5. A ban on labour for children under 14 year of age.
6. The exclusion of women from enterprises [in which the work] is especially damaging to female health.
7. All these stipulations are valid in enterprises on every level (large industry, transport, the crafts, home work).
8. Entrepreneurs who violate these stipulations are subject to arrest.
9. Worker organisations, whether set up on the basis of skill or locale, will participate in the implementation of protective legislation via Inspectors whom they elect.

Protective labour legislation should be expanded internationally and extended in ways suitable for agricultural workers.

Sandkühler and de la Vega (eds.) 1970, 370–5.

Nationalities Programme of the Austrian Social Democratic Workers' Party (1899)

(Passed at the Brün Party Congress, 1899)

Because disorder among nationalities in Austria paralyses any political progress and cultural development among people; because these troubles have their origins primarily in the political backwardness of our public institutions; and especially because the continuation of ethnic conflicts is one of the means by which the dominant classes secure their authority and prevent the effective expression of the people's real interest, the party congress declares:

The final equitable and reasonable regulation of the nationality and language questions in Austria is above all a cultural demand and therefore is a vital interest of the proletariat. It is only possible in a truly democratic commonwealth based on universal, equal, and direct suffrage, in which all feudal privileges at the national and state levels are abolished, because only in such a commonwealth can the working classes, which in truth are the foundational elements of the state and society, express themselves.

The cultivation and development of the national character of all peoples in Austria is only possible on the basis of equal rights and in the absence of any oppression, therefore any bureaucratic-state centralism, as well as any feudal privileges in the states, must be overcome.

Under these preconditions and only under them will it be possible to replace national strife with national order, indeed with the recognition of the following basic principles:

1. Austria is to be reorganised into a democratic federal state of nationalities.
2. In place of the historical crown lands, nationally delimited organs of self-administration should be formed in which legislation and administration is provided through national assemblies (Nationalkammer) elected on the basis of universal, equal, and direct suffrage.
3. The collective areas of self-administration of one and the same Nation form together a nationally unified association, which manages its national affairs completely autonomously.
4. The right of national minorities is guaranteed through legislation passed by the Imperial Parliament (Reichsparlament).

5. We recognise no national privileges and therefore condemn the demand for an official state language; to what degree a facilitating language is possible will be determined by the Imperial Parliament.

As the organ of international Social Democracy in Austria, the party congress asserts the conviction that an understanding among peoples is possible on the basis of these core principles.

It enthusiastically declares that it recognises the right of every nationality to national existence and national development; that, however, peoples can achieve cultural progress only in close solidarity and not in conflict with one another; that especially the working class everywhere adheres to its cooperation in the international struggle and to international fraternity in the interest of each individual nation and in the interest of the whole, and it must carry out its political and trade union struggle in a tightly unified fashion.

From Hans-Jörg Sandkühler and Rafael de la Vega (eds.) 1970, *Austromarxismus. Texte zu 'Ideologie und Klassenkampf' von Otto Bauer, Max Adler, Karl Renner, Sigmund Kunfi, Béla Fogarasi und Julius Lengyel*. Vienna: Europa Verlag, 376–7.

Otto Bauer

The Road to Power (1909)

This year we are celebrating May Day in a different mood than in recent years. May Days in the last few years were days of euphoric victory. As the economy boomed our trade unions grew stronger. They defeated the capitalist class in numerous struggles. As in the factory, the organised working class became a feared power in the state and universal and equal suffrage was achieved.* The Social Democratic delegation in the House of Representatives proved itself a strong defender of the working class in struggles against the bourgeois coalition. Proud of the power we had achieved, we celebrated the workers' holiday.

Now, however, as a result of economic crisis, poverty and unemployment have returned. The unions have to limit themselves to defending what has been achieved. Nationalist disputes have blocked social reform work in parliament. Against the threat of war we are unable to offer anything beyond words of protest. The past year has taught us to recognise the limits of the power that we have achieved. This year on May Day we are thinking of new power struggles. Today the great question of the road to power finds the working classes in a responsive mood.

The last historical epoch, which began with the French Revolution of February 1848 and closed with the Russian Revolution of October 1905, is divided into two markedly different phases. The period from 1848 to 1871 was one of great social, political, and national transformations. This phase witnessed the European Revolution of 1848, the Prussian military conflict and Lassalle's campaign of 1863, the Polish Rising and the founding of the International in 1864, and the uprising of the Parisian proletariat in 1871. The period includes the Italian wars of 1848, 1859, and 1866, the Crimean War of 1853, the Danish War of 1864, the Prussian-Austrian War of 1866, and the Franco-Prussian War of 1870. It was a time of great social transformations: the bourgeois revolution swept away the feudal lords, created freedom to pursue a trade, and laid the foundations for international trade agreements. It was a moment of national state formation: the German Reich, the Italian monarchy, and the Hungarian national state all were established in these struggles. During this phase, almost all states experienced the most violent changes to their constitutions. In Austria this included

* Bauer is referring here to the achievement of male suffrage, achieved in 1907.

the provisional constitution from March to May 1848, the Kremsier Draft Constitution and the imposed March constitution of 1849, the New Year's Patent of 1851, the October Diploma of 1860, the February Patent of 1861, the suspension of the constitution in 1865, the December Laws of 1867, the conquest of the right to form coalitions in 1870, Hohenwart's success and failure in 1871 – what a series of transformations!

Lasting from 1871 to 1905, an epoch of peaceful construction, of slow and gradual development, followed this period of transformations. During this time Central Europe experienced no war, no revolution, and the formation of no new state. Slow changes in constitutional life and gradual expansion of economic and social legislation characterised this era. Although capitalism became much stronger in Europe in this age, and although it expanded its empire throughout the globe, Europe's states were spared any major upheavals.

Now, in his new work *The Road to Power*, Karl Kautsky attempts to make it plausible that we are nearing a period that will be more like the revolutionary epoch of 1848 to 1871 than the period of calm we experienced between 1871 and 1905. This expectation rests on the following set of ideas:

In all developed capitalist countries the proletariat forms the largest and most rapidly growing part of the population (in Germany almost three-quarters). The most mature layers of the proletariat are united in strong political and trade union organisations. With the slower development of society, these organisations cannot successfully unify the entire working class in one great, unified, and powerful army. The more quickly the proletariat grows, the more numerous are those elements within the working class that are not yet able to free themselves from petty bourgeois and peasant conceptions of the world. Only in an age of great political transformations, which shake the popular masses, can hundreds of thousands learn in just a few years what took others a lifetime. We are now entering such a period.

Today the working class is suffering under the high prices for all food products and consumption goods. The transformation of the United States into an industrial state and the bankruptcy of Russian agriculture make it more difficult to supply Europe with cheap food. Cartels and Trusts raise the prices for industrial goods. Protective tariffs and indirect taxes strengthen this tendency, [which] forces the workers to fight for higher wages. But powerful obstacles, [such as] the expansion of industrialist associations and the immigration of foreign workers, have massed against trade union efforts. As indispensable as the trade unions are, we may not expect them to carry the workers forward as mightily as they have over the last twelve years.

The working class will more energetically demand help from the state, but here, too, there are many imposing obstacles to success. Armaments on land

and sea, which necessitate colonial policy and imperialism, consume the state's financial resources and hinder the use of the state's means for socio-political purposes. The middle classes, which earlier were neutral or sympathetic to the workers' struggle against the industrial capitalists, are today the enemy of the working class: the master artisans, because they see themselves threatened by the unions, the small retailers, because they see themselves threatened by the consumer cooperatives, the peasants, because in contrast to the workers they desire high food prices, the intellectuals, because they are put off by the proletariat's struggle against imperialism. The working class is not in a position to win major social reforms. It must, therefore, strive for a change in the constitution in order to increase its power in the state. In the German Empire it demands a redrawing of parliamentary electoral districts, an increase in the power of the parliament and an expansion of its competencies, the democratisation of the franchise for the state assemblies of Prussia and Saxony, and a reduction of army and navy armaments. Political action, the struggle for political power, moves to the forefront of proletarian consciousness.

Indeed, many hundreds of thousands of workers remain disengaged from these political struggles. They will only be shaken up through major world historical events. Imperialism and military armaments are creating the danger of war, which cannot simply be dispelled. The peoples of Asia and North Africa are beginning to rise up against the domination of the capitalist great powers; in Europe their arousal also will have major consequences. Martial entanglements and bloody revolutions of the oppressed peoples of the Orient will initiate a period of violent power shifts in Europe. This period can only end with the proletariat's conquest of political power. As is true when considering the form in which political shifts of power will occur or the weapon the struggling classes will use, it is not yet possible to discern whether the era of proletarian revolution will last as long as that of the bourgeois [revolution], which began in 1789 and lasted until 1871. Certain, however, is that the proletariat in this period of transformations will assimilate the most selfless and far-seeing elements of all classes. It will fill the backward elements in its midst with insight and optimism and in this way become able to introduce the great economic transformation, the social organisation of the economy.

Kautsky's conclusions rest upon the observation of some incontestable facts. It appears to us, however, that powerful counter tendencies are working against some of the developmental tendencies he has described. Comrade Kautsky believes that, in the trade union struggle and in the struggle for social reform legislation, the proletariat has already achieved almost everything that can be won without a massive shift in the relations of political power. Further

progress of the proletariat would encounter increasingly powerful obstacles; overcoming them would not be possible without great political upheavals.

Certainly, the buying power of the money wage has been reduced by the increasing costs of commodities; of course the prices of commodities also will rise in the future, in so far as their rise is caused by the pricing policy of the cartels and trusts, by increased tariffs, and by indirect taxes. On the other hand, it cannot be determined yet if new areas of production besides America might very soon meet the needs of the European grain market. Egypt will likely export considerable amounts of grain to Europe in the next few years, as will Asia Minor in the not too distant future. It also seems to me that it is in no way certain that Russia will not be in a position to increase its grain exports. In some areas of Russia progress toward intensive cultivation has moved ahead rapidly. That the yields of the agricultural economy will be brought onto the world market is guaranteed by Russia's tax policy, which is determined by the heavy debts of the Russian state. In addition, the rise in commodity prices can also be traced back partly to the fall in the costs of gold production. Whether and with what force this cause will impact the rise of commodity prices in the future is not yet clear.

No doubt the strengthening of the entrepreneur associations places difficult challenges before the trade unions. However, whoever compares the number of organised with the mass of potentially organised workers; whoever can remember how fast the unions grew during the recent period of prosperity and how little they have lost in the years of depression, how their financial strength, like the discipline and the readiness of each member to sacrifice, has grown much faster than their numbers; and finally, whoever considers what a great army of skilled, and not easily replaceable workers a large modern factory needs in order to supervise an automated process of production, will not doubt the possibility of trade union success against even the most capital intensive enterprises. It may be that, in individual branches of industry in which the conditions of struggle are especially favourable to capital, trade union means alone will fail, but a glance at the factory statistics proves that these branches of industry employ only a small portion of the entire working class.

It is also certain that immigration of foreign workers burdens the labour market. However, in so far as foreign workers emigrate from industrial capitalist countries, and the more quickly the union movement develops in Eastern and Southern Europe, the more easily they can be won over to trade union organisation. Their number is only large when a rapidly growing industry suffers from a real shortage of labour power, hence during a favourable situation

on the labour market. This migration burdens the labour market of one area, but it eases it in another part of the capitalist world. It does not make the rise of the whole working class more difficult, but on the contrary equalises all too large wage imbalances. Of course, far more dangerous is the immigration from areas with agrarian or domestic (*hauswirtschaftlich*) economies. Still, in Germany and Austria substantial numbers of these immigrants have penetrated only those branches of production already largely abandoned by the native working class – and in which, therefore, despite the immigration, wages also rose markedly – such as in agriculture. Still, it is not unthinkable that in Europe, too, the attempt will be made to import contract slaves in large numbers; the agrarians in Germany and Austria and even in Galicia and Hungary, terrified by the shortage of people, are making just this demand. Such a demand, however, would be just the thing to drive the European working class into a revolutionary upheaval.

Today we do not need to worry much about the possibility of achieving successes in the trade union struggle. Drawing on one American wage statistic, Kautsky concludes that the real wages of workers in the United States have fallen even in the last years of the period of prosperity. I do not believe that this statistic, methodologically much criticised by statisticians, is very convincing. In any case, it proves nothing for the European working class. American workers owe their relatively high wages to the fact that until recently America bore the economic character of a colony. Today, because this cause no longer has an effect, the wage level of the American worker is perhaps endangered; in any case it will be difficult to increase it. In Europe, no such change in the factors that determine wage levels is expected. In the end, however, trade union struggles are more than just about wages, rather they are also about the length of the working day, about hygienic conditions, and about the social position of the worker in an enterprise. It is indisputable that here great successes have been and still can be achieved.

Basically, the power of the employers' associations, like that of the trade unions, depends upon the proportional relation of the growth rate of domestic capital devoted to wages and the growth rate of the domestic worker population. This relation is influenced on the one side by the rapid progress to a higher organic composition of capital and by the export of capital, and, in an unfavourable sense, by the rapid increase on the proletarian population on the other. On the other side – and in a positive sense for the working class – the relationship is influenced by the increase in the rate of accumulation and by the now extremely rapid transformation of all available fragments of property into capital. Under such circumstances it seems to me that Kautsky's pessimistic assumptions are unfounded.

I am also less pessimistic than Kautsky about the prospects of the fight for social reforms. Certainly the resistance of the propertied classes to any social reforms is growing; the time in which a large part of the propertied favoured protective legislation for workers is over. But, as unhappy as the bourgeois parties are to make a concession to the working class, competition for workers' votes [and] fear of Social Democracy's ability to recruit forces them from time to time also to present the working class with a bowl from their well laid table. The more the bourgeois parties fear the revolutionising of that part of the working class still caught up in the bourgeois way of thinking, the less they can hold themselves aloof from this command of self-preservation.

I believe, therefore, that, even under the current power relations, the working class will not be denied successes in the political, as well as in the trade union, struggle. As certain as it is that the total income of the working class rises more slowly than that of the total social income it creates, the claim that the working class will not be able to further increase the absolute amount of its real income under bourgeois domination seems to me to be unfounded.

Exactly because we find the result of Kautsky's search for the *Road to Power* to be correct, it appears dangerous to us to support arguments resting on incorrect or at least very shaky assumptions. We don't believe that the proletariat will be ready for the decisive struggle for political power only when it is unable to achieve further partial success under the domination of the bourgeois. On the contrary, a working class, which after years of doing its best is still unable to achieve success, will find it difficult to resist the temptation to seek success by means that place it far from the paths of revolutionary class struggle. A working class to which we teach that it cannot achieve success before it receives help from the outside, from distant world historical events, will lose hope, passion, courage, and the strength to act. In contrast every victory in the daily struggle steels the working class's self-consciousness and confidence in victory. From a series of boldly won partial successes, a socialistically educated (erzogen) working class will gather the courage to fight for total victory. And, in our view, we are approaching an age of just such struggles.

We live in a period of colossal economic growth. From 1895 until 1907 the capitalist empire expanded at a rate more rapid than at any earlier time. Coal mining, iron and steel production, and the machine industry, hence those branches of industry that nourish the entire economy and provide its scaffolding, have never before increased their output so mightily as in these years. This extreme growth was accompanied by significant internal changes in the nature of the capitalist firm.

In the period when the classical literature of scientific socialism emerged, every branch of production contained many small enterprises each of which

was owned by an individual capitalist, and all of which were engaged in intense competition. Through the rapid development of the joint-stock company and through the close interrelationship of industry and banking, this relationship changed completely. Now many capitalists – shareholders, creditors, and owners of bank shares or bank loans – took an interest in every large enterprise, and every big capitalist simultaneously had an interest in many firms. The economic connections of enterprises via the ownership of capital find their organisational expression in their unification in cartels and trusts, which are taking on ever mightier and long-lasting forms. These no longer limit themselves to fixing prices but, on the contrary, they determine the scale of production, regulate the division of labour, ensure the marketing of commodities, and transform retailers into their agents. The individual capitalist is no longer lord over his own realm (*Herr im Haus*): the big bank dominates the capital market, the cartel the commodities market, the employers' association the labour market. Economic decisions about the type and scope of production, and the price and marketing of goods appear no longer to be dictated through the blindly operating laws of competition, they are discussed and decided by well structured organisations.

In order to defend themselves from the superior power of bigger capitalists, small businesses in the crafts, in trade, and in agriculture are also founding joint enterprises. Cooperative capitalism is removing the functions of credit provision, sales, and the processing of agricultural products from the agricultural enterprise and transferring them to a business that bears all the characteristics of a capitalist firm – [though] perhaps not one in which a single capitalist, but a cooperative of small capitalists, is the owner. Similar tendencies, though with less vigour, are emerging in the crafts and in retail trade. Like large industry, the less prominent spheres of the economy are also entering the age of associated capital (*Kapitalassoziation*), i.e., the conscious organisation of economic life on a capitalist basis. Society no longer consists of individualised, unconnected capitalist enterprises engaged in competition with one another, but rather of large organisations based on associated capital, which struggle against one another for power.

In the earlier period of individualised capitalism, every entrepreneur was subject to the laws of competitive struggle, which faced him like natural forces and could not be controlled by any individual, organisation, or the state. These were laws operating, as the young Friedrich Engels once observed, 'without the consciousness of the participants'. These laws still function today; every change in the conjuncture shows to the capitalist organisations the insurmountable limits of their power. However, what the laws of the capitalist economy ordain must now 'pass through the minds of men', and be discussed

and settled. Everything concerning economic events is becoming the conscious act of organisations.

The state, too, is now becoming such an organisation. Manchester liberalism is dead. All economic organisations seek to place the state in their service. From it they no longer demand just the protection of their property, but rather direct intervention in the economy. The system of tariffs and the banning of imports, rail and shipping rates, subsidies, bonuses, and gifts (*Liebesgaben*), the entire structure of the tax system with its complicated means of allocation, of repartition, of tax deductions, and of compensation, the exploitation of state enterprises, monopolies, and rules for economic aims, the regulation of public works and services – all these and many other state interventions in economic life force all organisations into influencing the state and into the fight for political power. The whole of political life dissolves into the power struggles of interest groups.

In these struggles interest groups soon dispense with the ideological veil masking their efforts. With shameless openness, every organisation examines each legislative and administrative question from the standpoint of its members' economic interest and desire for power. Every organisation admits openly that it strives for nothing other than profit and power, for victory in the struggle for existence, for a place in the sun. The whole public is intoxicated with the little word power. The bourgeoisie has now forgotten its principles of freedom and equality, humanity and Christianity, nation and fatherland. For it, every shameful act is allowed if it brings financial advantage; every betrayal is sanctified, when it leads to power.

The proletariat also lives in this atmosphere of interest group egoism and of unvarnished power struggles. Its consciousness also is dominated by the will to power. Revolutionaries and opportunists may argue about the road to power, [but] they are united about the aim. The more political life disintegrates into the power struggles of economic organisations, the stronger the proletariat's drive to conquer political power becomes. The intellectual and emotional world of naked egoism and the blatant struggle for power, which should bring profit, also dominates international relations. The bourgeoisie has abandoned any resistance to militarism. It longs for a state, the most powerful and comprehensive of its economic organisations, equipped with fear-inducing arms. The enormous sacrifice for massive armaments, the oppression of foreign peoples, the pitiless exploitation of every weakness of opponents, alliance with revolution here and with counterrevolution there, the agitation and sacrifice of the danger of war, indeed mass murder and mass poverty – all that justifies the desire of nations and states for power. Thus the intensification of economic struggles internally finds its counterpart in the bitterness

of nations and states against one another, which moves the danger of war closer from year to year.

Simultaneously, however, new problems are arising in the whole of Eastern Europe. Economic, social, and political transformations are leading the peasant masses and the nations they comprise onto the stage of history. For months the Serb problem left us breathless. The Bulgarian and Serbian problem in Macedonia is an old European concern. The Hungarian national problem threatens the Magyar national state as well as the whole constitution of the Danube Empire. However, the unfolding of the greatest national problem, the nationalities question in Russia, still lies before us. However one might imagine the future shape of the Russian Empire, twentieth-century Ruthenian, White-Russian, Latvian, and Lithuanian peasants will awaken in any case to a new existence (*Dasein*). We cannot know whether the Russian bourgeoisie gradually will instill Russia's sham constitution with real life; whether it will struggle to reshape the life of the Russian state in alliance with the proletariat or whether the proletariat alone or in alliance with the peasantry will launch a revolutionary upheaval to break the hold of Tsarism. But, whichever of these hypotheses – passionately discussed in Russian intellectual circles – history confirms, one thing remains certain: the development of the Russian Empire will have led to the transformation of agriculture, the awakening of the peasant masses, and therefore the emergence of the nations without history. As long as they faced the compact mass of the Russian peasant empire, the Poles by themselves were defenceless. With the rising of the peoples without history from the Baltic coast to the Caucasus, their national problem again springs to life. Will the national struggles of the eastern peoples without history play the same role in future revolutionary epochs that the national struggles of the historical peoples, the Germans, Italians, Poles, and Magyars played in the revolutionary epochs of the past?

However, even greater national problems are emerging in Asia and North Africa. Since the yellow man defeated the white one in the Russo-Japanese war, the Near and Far East have seethed with unrest. We have experienced the great show of the Turkish Revolution. Russia and England have allied to crush revolutionary Persia, whose upheaval could have inspired the subject peoples of both states. We hear of revolutionary movements in Egypt and India. All these movements cannot be without influence on the mutual relations of the European great powers and therefore on the power struggles within the European states.

Certainly the powerful states do not lack perseverance. The race (*Geschlecht*) living in Western and Central Europe has no experience of revolution; it still lacks the belief in revolution, which is the first prerequisite for its

outbreak and success. Democracy cloaks the power struggles among interest groups in parliament, it eases the sharpness of antagonisms, as it breaks up every big problem into a series of smaller, fragmented ones. The rulers' fear of the armed masses and the anxiety of powerful capitalist groups, for whom any political transformation can bring great losses, counteract the danger of war. Fearing proletarian revolution, the landlords and capitalists in Russia and Poland have made peace with the Tsar. The awakening of the Eastern European peoples without history moves forward more slowly than many anticipated just a few years ago. The revolutionary movement in Asia and North Africa is limited today to a relatively narrow layer of the population and to only a few areas. But as important as we consider the strength of all the obstacles and countertendencies, all the elements of a great political transformation still remain in place. Did the period of revolution begin in 1905, that glorious year of the Russo-Japanese War, the Russian Revolution, the Hungarian military conflict, and the Austrian struggle for the franchise? Are the Union of Reval,* the naval armaments of England and Germany, the events in the Balkans and Persia the beginning of world historical events, which will carry the upheaval into the streets of the European capitals? Or will there be another success in postponing the beginning of the decisive struggles? In any case we have to consider the possibility that we are heading into a period of wars, of national rebellions, of the formation of new states, and social and political transformations.

We stand on the threshold of an age that will be stamped in the west by class struggles for state power and in the east by the struggle of peoples for the existence of the state. Austria stands in the middle between east and west. In alliance with the western proletariat we will lead the struggles to conquer political power; in alliance with the peoples of the east we will fight the battles for the right of nations to self-determination. Recognising the breadth and depth of this proposition is essential to the education of the Austrian working masses.

Austrian Social Democracy only recently became a parliamentary party. The main focus of our political activity has shifted to electoral and parliamentary struggles. The parliamentarian, who is duty bound to concentrate his full attention on parliamentary procedure and must dedicate his energy and talents to parliamentary struggles, all too easily comes to regard world history as a series of elections, speeches, proposals and votes, parliamentary ruses and intrigues:

* The Union of Reval refers to the Anglo-Russian Entente of 1907 in which Britain and Russia divided Iran into a Russian controlled north, a British controlled southeast, and a neutral zone between them.

it is his professional disease all too easily to overlook [the fact] that economic transformations determine the changes in the social structure of nations and in the self-consciousness of classes, that changes in the balance of power and the consciousness of power of states determine the fate of classes and peoples, and that these true causes of events consistently place limits on the efforts of any parliamentary power. We have not been able to keep this professional disease, which Marx called *parliamentary cretinism*, completely at bay since parliamentary struggles have become an indispensable element of our activity. We are all the more susceptible to it, because the universal and equal franchise was a new weapon for us achieved after difficult struggle; it was hard to avoid overestimating what it could achieve. But parliamentary cretinism is nowhere so dangerous as in Austria. Where fighting about student caps and coloured ribbons, about street signs, and about departmental seals dominates parliamentary struggles more than any serious business, parliamentary life creates the danger that we, too, become infected by the spirit of smallness; that the arguments about worthless absurdities, which have little to do with the fate of classes and peoples, will split the proletarian army; and that we abandon our unity, the surest guarantee of our strength, in order to win seats. Therefore it is doubly important to turn the attention of the working masses of all nations to the major world events, in the development of which we will have to fulfill our great tasks.

In Austria social struggles are closely bound up with national ones. From this entanglement arise various dangers. On the one side, as an international party we move in the neighborhood of those nations without states. We appear to be their allies against chauvinism. On the other side, each part of the International becomes a part of its nation, a follower of the propertied classes. We feel ourselves called to participate in disputes about the universities and high schools, about the appointment of judges, and about court protocols. On the one hand, here the international unity of the working class endangers its revolutionary character; on the other hand, its national disposition endangers its unity and class-consciousness. These dangers are rooted in the conditions of our struggle; they cannot be fully eliminated. But nothing works so powerfully against them than the recognition that nations will only achieve their sovereignty in the coming age of revolution, of state formation, and of constitutional transformations; that the unity and freedom of our nation is bound up with the unity and freedom of other nations through the international revolutionary struggle of the working class against and for state power; and that it isn't arguments about the petty matters of everyday politics, but rather the preparation for the great decisions of the future in national and social struggles that is our most important task.

Otto Bauer, 'Der Weg Zur Macht' (1909), *Der Kampf*, 2: 337–44 (*Werkausgabe*, 8, 227–40).



Parliamentarianism (1910)

This year Austrian parliamentarianism celebrates its fiftieth anniversary. On 20 October 1860 the Emperor promulgated as a 'binding and irrevocable basic law of the state' that 'all matters of legislation, which relate to rights, duties, and interests common to our kingdoms and states, in the future will be negotiated in and with the Reichsrat and completed constitutionally with its collaboration'. But this Austrian parliamentarianism was initially only an achievement of the propertied classes: the large landowners, the rich bourgeoisie, and the rich peasants. The workers had no franchise and no influence on the composition of the House of Representatives. Only through the introduction of universal, equal, and direct suffrage in 1906 did the workers achieve the same rights that the Emperor had granted to the propertied classes in 1860. Two years have now passed since the first elections in which the workers could participate as voters with full rights.¹ After the experiences of the last two years we can evaluate the significance of parliamentarianism for the working class.

In earlier times the reigning prince, Emperor, or King dominated the state. What he ordered was law. His officials implemented the law, his soldiers forced subjects to be obedient. This is a constitution of unlimited personal rule, an absolute monarchy.

Dissatisfied with this constitution, the bourgeoisie broke the absolute power of the princes in a series of great revolutions – in England in 1649, in France in 1789, in Central Europe in 1848. Its original ideal was the full sovereignty of the people. The people should elect a parliament like a club elects its board of directors; the freely elected parliament should govern the state just as the board of directors manages the affairs of the club. The state should have no other powers than those the people grant to their elected and responsible representatives. We call this form of constitutional state the democratic republic.

¹ After March 1897 the right to vote on a curial basis made it possible for Social Democracy to win a limited number of seats. In the newly formed fifth curia, which included 5.5 million voters, Social Democrats won 14 of the 72 available mandates. In contrast 5,402 big landlords sent 85 delegates and 583 members of the Chamber of Commerce sent 21. In all, 516 delegates were elected to the Reichsrat.

But in most states the princes were too strong and the bourgeoisie too cowardly to actually realise the creation of a democratic republic. So the bourgeois revolution ended with a compromise between princely power and the power of the people. The Emperor still appoints the ministers, the members of the House of Lords, the officials, and the judges; he retains command of the army and the fleet; he declares war and concludes peace; every law requires his agreement. However, next to him stands the representative body of the people, the parliament. Parliament decides the laws; it agrees to the raising of taxes and of recruits; it fixes the limits of the state's income and expenditures. One calls such a constitutional order, in which power is shared between the princes and the parliament, a constitutional monarchy.

Now, indeed, the bourgeoisie shares political power with the princes, but it did not wish to share it with the working class. Therefore workers were denied the franchise. Parliament was not a representative body of the whole people, but rather only a representative of the propertied classes, an organ of the plutocracy, the rule of the rich.

Even today the plutocracy remains privileged in elections to the state assemblies and local representative bodies. Only in elections to the Reichsrat does democratic, universal, and equal suffrage exist. In these elections the vote of the poorest worker is worth just as much as that of the richest factory owner.

Thus, we do not yet live in a democratic state. The power of the lower house, which the whole people elects, is limited by the power of the Kaiser, who disposes over the bureaucracy and the army, by the power of the upper house, whose members are appointed by the Kaiser, and by the power of the state assemblies and local governments, which are elected only by the propertied. But, one would think, at least the will of the people is decisive in the lower house, because a majority of the people elects the delegates.

With regard to the two leading nationalities of the Empire, the Germans and the Czechs, the working class forms a majority of the population. And yet we all know that the majority of the German and Czech delegates pays virtually no attention to the serious problems facing the workers and leaves their most important needs unaddressed. This contradiction between the voters' interests and the activity of their representatives stems from the working class not yet knowing how to use their right to vote correctly. Take for example, agricultural labourers. Among the Germans and Czechs they outnumber the peasants by a large margin. But they do not yet understand how to use the franchise; they do not elect the man who has the desire and ability to represent their interests but, rather, one who the rich peasants, the village head, and the priest want to see get elected, in order for him to represent the interests of the wealthy. The agricultural labourers elect people who in truth are the worst enemies

of their own voters, who today are organising the importation of Polish and Ruthenian workers to German areas in order to take the Germans' jobs or drive down their wages. But many workers in industry, the crafts, retail trade, and transport act just as foolishly. That is the only way that moneybags can also dominate the lower house, although the workers make up the majority of its voters. If the lower house, which is supposed to represent the whole people, is still effectively an instrument for the class domination of rural and urban entrepreneurs, this is only possible if a large part of the working class does not yet recognise its interests and understand how to act accordingly. It is not true, as the anarchists claim, that the franchise is useless and that participation in elections is a waste of energy. The possessing classes have understood very well to place parliament in the service of their interests; the workers could strip them of this weapon and wield it for themselves. This has not yet occurred only because all too many workers allow themselves to be deceived by the bourgeois parties, the representatives of the propertied, and they have not yet understood how to control the effective weapon that the franchise provides them.

Therefore, our most important task is to educate workers to become class-conscious and to recognise their own interests. To that end, parliamentarianism provides the most valuable service. The speech of our delegates in the lower house accomplishes much more than a newspaper, a speech at a rally, or a pamphlet. Every vote in the House of Representatives teaches thousands how to differentiate between friend and foe. When, for example, the Social Democratic delegation brought forward two proposals demanding effective measures against rising food prices and the Christian Social and German National delegates voted them down, some workers then learned which party represents their interests rather than those of the usurious food sellers. Thus parliament serves our great educational work. It opens the eyes of the unschooled, of those workers led astray by the bourgeois parties, [and] it will gradually teach them to use the franchise correctly. Thus parliamentarianism itself heals the wounds that it is still causing today. And when a parliament does not satisfy a single worker's demand from Election Day until the day of its dissolution, and if every Social Democratic proposal is rejected, its activity would still not be fruitless: From the reports about the speeches and votes, thousands of workers learn who in parliament represented the interests of the working class, of the industrialists, or of the agricultural usurers. Thus the mass of those workers grows, which can differentiate between friend and foe and know how to vote on Election Day. Only in this way can we gradually move toward a parliament in which the work of those elected fulfills voters' demands.

It is this educational work that the bourgeois parties fear. Their power in the state would ignominiously collapse if no workers wanted to vote for the parties of the propertied. Therefore the bourgeois parties have to vote once in a while for a Social Democratic proposal; therefore from time to time they must satisfy a proletarian demand; otherwise the last worker would abandon them. The bourgeois parliamentary majority's fear of the proletarian voters, the anxiety of the bourgeois parties in regard to Social Democracy's appeal makes it possible for our delegates to occasionally win positive successes in parliament, which for some workers means at least a slight improvement in their economic situation. So, for example, in 1908 the bourgeois parties rejected the Social Democratic proposal to allocate 25 million Kronen to raise the wages of railroad and postal workers. When, however, they saw how this vote raised a storm of outrage among the disappointed voters, they then subsequently voted in July to appropriate 18 million Kronen to improve the income of the poorly paid state workers. [Thus], the Social Democratic proposal was not without value, although the Christian Socials and German Nationals initially rejected it.

Perhaps even more important than what our delegates are able to achieve in Parliament is what they can hinder. To be sure the Social Democratic minority cannot prevent the bourgeois majority from expressing its will in legal form: the will of the majority is decisive in parliament as in any association or assembly. Indeed, the minority in the Austrian lower house has often enough through obstruction, the paralysing of parliamentary work, hindered the majority from achieving its ends. But the Social Democratic representatives cannot wield the double-edged sword of obstruction against every majority-backed law that is hostile to the people. If the work of the representatives is paralysed, then absolutism comes back to life. Rule by royal decree, based on the notorious Article 14 [of the Constitution], can implement those decisions that parliament cannot. The worst parliament is better than absolutism. Therefore, Social Democrats can only use obstruction in the most extreme cases: only when the parliamentary majority attempts an attack on the most elementary interests of the proletariat, on the basic conditions of its struggle for liberation, on its power and future. Indeed, obstruction is then justified: We would rather sacrifice parliament than the fundamental basis of our extra-parliamentary struggle. Our opponents know that well. There is no law that the bourgeois majority of the lower house would rather pass than one altering the right to unionise, through which one could strip the unions of the foundation of their existence and make the struggle for better wages impossible. But no government will dare put such a law before parliament. It knows that the Social Democratic representatives would rather smash the parliament to bits than allow the negotiation

of such a law. The representation of the working class in parliament is the bulwark of the economic mass movement of the proletariat outside of parliament.

Thus, parliament is the indispensable tool of the great movement of the working class: a means for the education of the worker masses, an instrument, through which the working class at least from time to time can implement one of its demands, a rampart for the direct action of the proletarian masses themselves. If we wanted to follow the anarchists' advice not to bother with the franchise and electoral struggles and to stay home on Election Day, we would help no one other than our most bitter enemies, the most brutal exploiters of the working class.

However, if it would be wrong to underestimate the value of parliamentarianism, it would be no less dangerous to place all too much hope in it alone. Parliamentarianism is only one of our weapons, not the only one. The struggles of our trade unions, the development of our cooperative organisations, the great instructional work and educational activity carried out by our party press and organisations, are branches of the workers' movement just as important as the fight for representation in parliament. When the parliament was still closed to us, we fought for our rights in the streets. Through the threat of the mass strike, we intimidated the enemies of universal suffrage. And no one may say which means of struggle the working class will use in the future. We must fight for suffrage and use the franchise 'without fooling ourselves about the value of parliament,' as our *Hainfeld Programme* states.

Bourgeois parliamentarians assert that they make history [and] that the fate of nations depends upon their speeches and votes – Karl Marx called this way of thinking parliamentary cretinism. In truth, however, it isn't parliament that makes history, but history parliament. For years the parliament of privilege had arrogantly rejected every proposal to introduce universal and equal suffrage; however, when the news of the Russian Revolution and the struggles in Hungary had roused the Austrian masses, when the workers in even the most isolated village had risen up, when on 28 November all work stopped, the same parliament had to vote for electoral reform. In this way history had changed the will of parliament. Parliament cannot shape power relations as it wishes; it is only the indispensable means through which power relations express themselves. It is not an independent power, which dominates the society; rather parliamentary activity is only the means through which the interest groups, the classes and nations, put into legal form that which their real power has already achieved. Therefore parliament is indeed a tool of capitalist class domination, as long as the working class is not strong enough to shake off the yoke of capitalist exploitation and oppression. Therefore parliament can become

an instrument of working class power when its historical day has arrived. The French Estates were for hundreds of years nothing more than a committee of nobles and clergy, who dominated the middle classes and the peasants. When the bourgeoisie became strong enough to construct its own state, when the people of Paris rose up, stormed the Bastille and drove the King's troops to flight, then the Estates suddenly transformed themselves into the revolutionary National Assembly, which in one night abolished the centuries old laws of feudalism, into the convention, which held the King himself accountable, [and thus] into the central organ for carrying out the revolution.

Who presumes to predict what the next decades will bring us? The nations of Russia are steeling themselves for new struggles against the domination of the bloody Tsars. Since the yellow man defeated the white man in distant Manchuria, the East has been simmering. We have experienced the Turkish and the Persian revolutions, we hear of revolutionary stirrings in Egypt and India. Whole nations are waking from centuries long sleep. Meanwhile thunderclouds are building in Western skies as well. All the states are brazenly arming themselves, and time and again we face the terrible danger of impending world war. We are entering times in which everywhere the noise of weapons will wake up the sleeping and bloody experience will teach those who have erred, times, in which hundreds of thousands will learn in a few years what they were unable to learn through the experience of decades. In such a time Parliament will also become a different one – the majority of those elected will fulfill the conscious will of the working class, which is the electoral majority based on the unbending will of the masses, strong enough to take up the fight with all the other powers of our world. In such a world historical moment parliament will become the organ for the implementation of the proletariat's transformative work, as the Estates of 1789 became the organ of the bourgeois revolution. In the past one means among others, at such a moment parliament will become a means to build our state and our society.

Otto Bauer, 'Der Parlamentarismus', 1910, *Österreichischer Arbeiter-Kalender*, Wien (*Werkausgabe*, 7, pp. 590–8).



Internal Conflicts in Austrian Social Democracy (1910)

The Austrian Trade Union Commission has filed a complaint about the behaviour of Czech Social Democracy with the Bureau of the International. The

matter will then be submitted to the International's Copenhagen Congress.² Certainly the particular problems of the Austrian workers' movement cannot be compared with the great questions of proletarian class struggle dealt with at recent congresses of the International, but that body will not fail to pay attention to such less important questions as these. Austrian Social Democracy is, after the German and French parties, the strongest branch of the International: whatever threatens it must also be viewed as a serious danger for the whole international movement. The working classes of Russia, Hungary, and the Balkans are not likely to be spared the difficulties, which today slow the forward march of the Austrian workers. Throughout Eastern Europe, the problem of maintaining the unity of proletarian class struggle in a world of conflicting nations is a vital question for Social Democracy. Therefore the struggle that is being conducted within the Austrian working class today deserves the International's attention.

The Struggle in the Trade Unions

In all capitalist countries the working class is leading the same class struggle; in all countries the same great economic facts determine the thinking, feelings, and wants of the proletariat. But unity on matters of the whole does not exclude differences on individual issues. The whole proletarian International stands as a solid mass in opposition to the capitalist world; but within the International the German Social Democrats are very different from the French as the Russians are from the English. These differences do not make the joint struggle difficult, as long as the workers of each nation lead the fight for liberation among their own people, separated by national borders from other countries. Wholly different difficulties arise in a state consisting of nationalities, where the workers of various nations have to lead a joint struggle against a common enemy.

The Social Democratic workers' party in Austria unites German, Czech, Polish, Italian, Ruthenian, and South Slavic workers in its camp. In spite of the commonality of proletarian class interests, there are real differences among the working classes of these nations that are no less large than the differences between the Social Democrats of Germany and France. The working class within each nation is distributed differently in town and country, in big and small cities, in industry and agriculture, and in large and small enterprises. Class antagonisms are more sharply pronounced in the economically more advanced nations than among more backward peoples. Each of these nations is influenced by different historical traditions, different literature, a different

2 For Bauer's speech to this congress see *Werkausgabe*, vol. 6, pp. 17 ff.

party structure, and different foreign influences. Within each of these nations the working class fights its political battle against other parties, against other programmes, and against other ideologies. The real psychic differences, which arise from variations in social existence, are only counterbalanced with difficulty, because language differences make intercourse among workers of various nations harder and make it difficult for their press and literature to get beyond the language barrier.

In fact, the workers' movement in each of these countries has grown up independently. For all that, all these currents were successfully led into one bed: so long as Social Democracy in Austria still had to fight for the right to exist, national differences were easy to overcome, the workers of all nationalities could easily be united in a single party. The larger the party became, the more complex its activity, the more clearly national differences emerged. Party unity threatened to dissolve as early as the nineties. Under pressure, it was decided to adapt the centralised organisation to the real differences within the proletariat: since 1897 the Austrian party has been subdivided into German, Czech, Polish, Ruthenian, Italian, and South Slav Social Democracy. Nevertheless this arrangement should not dissolve the unity of the party: The German and Czech Social Democrats should behave toward the Austrian Party as a whole as the Prussian and Bavarian Social Democrats behave toward the German Social Democratic Party.

In 1897 Social Democracy entered the parliament for the first time. Innumerable questions of the bourgeois state, which were completely foreign to the working class, assailed the party. This came at a time during which the nationalist struggles of the bourgeoisies had sharpened enormously [and] nationalist obstruction paralysed the parliament for eight years. In this very difficult situation German and Czech Social Democrats were not always tactically united about how to respond to the individual questions raised by chauvinism every day. Unity remained intact, but national individualities became increasingly pronounced within the party as a whole. Difference as conscious antagonism had already emerged at the party congress of 1905, but the great struggle for the franchise, which began with this congress, completely papered over the internal difficulties. This great conflict put us suddenly at the head of hundreds of thousands who had earlier kept their distance from us. In and through the fight for the franchise, tens of thousands were won over for our political organisation and hundreds of thousands were won over to the unions. In the hubbub of struggle they could not be schooled and trained. These unschooled masses also brought their prejudices, including nationalism, into our organisation: no wonder that national differences within the workers' party emerged more sharply.

But it was not only our growth; the struggle against our foe also fuelled the process of national differentiation. In Austria, where eight nations have conducted a bitter struggle for power since 1848, the most dangerous weapon of the bourgeoisie was the accusation that Social Democracy was disengaged from and ignorant of the nation's great concerns. This reproach was now used with redoubled energy, because the strengthening of our economic organisations and our victories in the struggle for the franchise and in the elections has driven the bourgeoisie to more energetically defend against our attacks. Non-German comrades especially have suffered from the unremitting criticism of their national opponents that they are dependent on German Social Democracy and subject themselves to Vienna's command. To repel such attacks our comrades have to try to prove that they are the protectors of the true interests of the nation, and they see it as necessary to very clearly stress their independence from the German party. One would hear them speak less and less of the Austrian party as a whole and more often of Czech, Polish, or South Slav Social Democracy.

No congress of the whole party has been called since 1905, because the executive, which consists of representatives of the six national groups, feared that such a party congress could result in a weakening of the party structure instead of its strengthening. When the Association of Social Democratic delegates formed in 1907, it was decided to adhere to the Czech comrades' suggestion that, indeed, the Association would act in a unified manner in response to majority decisions regarding economic, social, political and cultural matters, but in all national affairs each national group would be autonomous.³ Thus, the unity of the party grew increasingly loose. From the nationally structured, centralised party developed an alliance of independent national parties.

Initially this development was limited to the political organisation. Our economic organisations, the trade unions and the consumer cooperatives, remained unified international formations. Soon, however, national problems emerged here, too. At first the non-German comrades demanded the satisfaction of their language needs. In addition to trade journals in German, the unions then had to produce them along with forms, papers, and books in various languages. Then the non-German workers demanded more influence over the administration and stronger representation in the executive and within different groups of officials in the organisation. As justified as these demands were, they demanded substantial sacrifice from the unions; their fulfillment

3 The Association consisted of 25 German, 24 Czech, 6 Polish, 4 Italian, and 2 Ruthenian comrades.

could not occur without friction. Such conflicts, fought out at a time in which the bourgeoisie conducted the most furious nationalist struggles, naturally awakened and stirred up the national instincts of the working class. Nevertheless the unions and consumer cooperatives have spared no pains satisfying the needs of the non-German workers. Today the Czech comrades are particularly well represented in the executive and in the institutions of the main organisations, and the Czech membership has access to a richer assortment of trade publications than the German.⁴ But a portion of the Czech comrades remains dissatisfied. They declare that, because the party, union, and cooperative are only various parts of the same body, they must also be constructed in the same way. As in the party, so must the unions and the cooperatives replace the international entity with one that is a loose federation of independent national organisations. In cooperation with the Czech Trade Union Commission in Prague, led by comrade Steiner, Czech special organisations were founded and Czech workers were urged to leave their international umbrella associations.

It does not require extensive proof to show that the national fragmentation of the proletariat's economic organisations is much more dangerous than the political one. The political struggle naturally falls along national lines. Apart from Czech minorities in German speaking areas, the Czech comrades conduct their struggle in a different area and against different bourgeois parties than the Germans. The economic struggle, in contrast, is necessarily central-

4 The Central Federation of Trade Unions publishes:

Date of appearance						
Periodicals	Weekly	Biweekly	3/mo	2/mo	Monthly	Total copies
German	7	5	3	20	15	318,700
Czech	7	4	1	18	5	118,380
Polish	3	1	1	2	3	21,350
Italian	—	—	—	2	3	6,200
Slovenian	—	—	—	2	1	3,800
Ruthenian	—	—	—	—	1	1,000

In total 1,190 German and 988 Czech pages are published each year, a very positive proportion for the Czechs because for every thousand German readers there are 371 Czech ones.

ised. The same business associations, very often the same firms, have factories in the German and Czech areas, and in the biggest industrial regions, such as Vienna, Deutschböhmen, and Deutschmähren, German and Czech workers work in the same plants. If one could divide up the areas in which the unions are active along national lines, as the Czech separatists desire, then, instead of a strong international union in each sphere of industry, we would have six much less effective national organisations. German and Czech unions can at least carry on smoothly in their areas, but the Polish, Ruthenian, Italian, and South Slav organisations would be so weak that they could not fight effectively. In reality, however, it is extremely difficult to achieve this kind of separation and the separatists do not really desire it: [to them,] every Czech worker, wherever he is employed, should be a member of a Czechoslovak trade union. Since tens of thousands of Czech workers are employed in German cities and industrial locales, we would have two organisations in every profession. If today four professional organisations work together in a large factory, they should then, because two national professional organisations should replace every international one, have eight organisations fighting jointly against the employer. These organisations would compete among themselves for every worker, since in mixed areas there are many who speak both languages and are comfortable with either nationality. And such competing national organisations have to fight together against the common enemy in an atmosphere poisoned by nationalist conflicts and in which workers, even when part of an international organisation, find it difficult to keep nationalist sentiments and jealousies at bay.

No less counterproductive is the national fragmentation of the consumer cooperatives. Every salesman can sell his products to German and Czech customers; but international Social Democrats should not be able to do that? Within the same city we should sell to a particular German and a particular Czech cooperative, and instead of one large marketing enterprise we should have six? One must have grown up in Austria, where thinking has been laid waste by six decades of ethnic struggle gone out of control, in order to find such nonsense explicable.

The struggle over the form of economic organisation has moved into new areas in recent years. If the separatists previously had concentrated their efforts among the small artisans, now they are moving into the area of large industry, where the need for strong, centralised organisation is much greater: the unions of metal workers, textile workers, and wood workers split over the last few years. Earlier the struggle was limited to Bohemia, but now has been carried into Moravia, which until then had remained loyal to the central organisations.

To begin with, state assembly delegates Vanek⁵ and Tusar, the editor of *Rovnost*, the Czech party's paper in Brünn, drove the supporters of the international organisations out of positions of responsibility. Now a plenary meeting of the union shop stewards (Vertrauensmänner) in Brünn has decided to demand that the Czech party delegation recall Vanek and Tusar from Brünn because their presence would endanger peace within the party. *Rovnost* responded with a campaign against the internationalist unions. In this fight it did not refrain from using means that one would otherwise use only against the most despised enemies of the labour movement. They incited the workers against the *paid secretaries*. They accused the unions of consistently neglecting the interests of the Moravian workers, of betraying the workers in Brünn during a struggle over wages eleven years ago, of having driven a worker to his death, and of allowing a shop steward to die of hunger. The leadership of the international cooperative publicly was accused of cooking the books. The Czech party allowed its organ to conduct this struggle without hindrance. Indeed, earlier it had consistently asserted that only the unions could make decisions about matters of union organisation and that the party must remain neutral, now it placed itself openly on the side of the separatists. The best men of the Czech party have adopted the separatists' jargon. Comrade Nemec compared the struggle, which the separatists are waging against the international unions, with the battle that Finland is fighting against Tsarism. Comrade Soukup does not hesitate to speak of *German despotism* in the unions. Of course the centralisers defend themselves. The unions in Brünn are publishing a paper in Czech, which aims to refute the attacks of the party's paper. The Czech party treated the creation of this paper as a hostile act. The conflict grew increasingly sharp. Day after day Czech party papers and meetings accuse the centralisers of being Judases, who have betrayed their nation, abandoned their principles and sold themselves for Viennese and German money. The editor of the centraliser paper in Brünn was expelled from the party, the centralisers have been removed from their party posts, and entire political organisations in which the centralisers had a majority, have been dissolved. Naturally the centralisers, who still represent more

5 Because the quarrel about the personality of citizen Vanek plays a great role in this conflict, one detail seems worthy of mention, which should brightly illuminate conditions in the Czech party. Along with a Social Democratic state assembly delegate, citizen Vanek found it agreeable to publish an advertiser called *Reklama* that would be distributed gratis in pubs and would be paid for with advertising. The paper aimed to support agitation behind the slogan 'to each his own' in a campaign to educate the Czech public to buy only from Czech rather than German businesses in order to strengthen Czech capital. Since Czech comrades criticised the publication of this paper, Vanek handed it over to his wife.

than 100,000 Czech workers, are terribly bitter about the party's actions. They respond with powerful attacks on the party and its representatives.

It is not yet possible to discern how far the power of both groups extends. No doubt the separatists have a majority in the political organisation. The proportion is reversed in the union organisation. According to the most recent report, the Czechoslovak organisation in Prague has 40,145 members, while of the international unions' 415,256 members, 118,380 receive occupational journals in Czech. In any case the number of Czech centralisers is too large for them to bear the treatment it has encountered from the Czech party. Today the reality is that a broad gulf divides the Czech working class into two hostile camps. Failure to bridge the divide means that the unity of the Czech workers' movement is in serious danger. Thus far, all efforts to come to an understanding have failed. One effort by the executive of the whole party failed when the separatists declared that any negotiations must be preceded by the recognition of their separatist organisations. Comrades Soukup and Tylerle declared one proposal, which I distributed to the unions in a brief brochure, not worth discussing. So the fight goes on.

The Struggle in the Party

The struggle in the unions not only endangers the unity of the Czech labour movement; it strains the bonds that tie the Czech working class with the German one. If the separatists want to move the Czech working class to leave the internationalist organisations, naturally they have to make the case that their interests cannot be served as long as they remain united with the German workers in one organisation. Therefore we cannot blame the Czech separatists for their attacks on the German comrades at all; separatism has no other arguments that are remotely defensible. So the separatists launch a campaign against the German comrades. They began with the critique of the German trade unionists and gradually intensify their agitation with the most hateful slander and distortions. Then they move on to attack the German party. In this way they sow mistrust, even hate, against the German workers, who are angered and embittered by the destruction of their common organisations. That nationalist voices begin to germinate is unavoidable. These voices of the masses on both sides are the unfortunate effects of separatist action.

If matters get that far, then it is inevitable that the conflict, which started in the unions, will spread to the political sphere. That has already occurred. Earlier there were times when German and Czech Social Democrats voted against each other in parliament. It was unavoidable that the delegates sometimes voted differently, because on decisions related to national questions the Czech comrades did not wish to subordinate themselves to the party majority but instead,

in accordance with the demands of the party's national groups, could decide autonomously. While earlier in such cases the Germans and Czechs avoided attacking one another over different votes, in recent weeks, because tempers had already been roused by the trade union conflict, such a vote led to heated discussions and hateful attacks. The matter concerned a harmless resolution, whose acceptance or rejection impacted nothing and had no significance, but the argument concealed a serious problem whose description will show foreign comrades the difficulties with which the Austrian Party has to deal.

To clarify matters we want to note some statistics about the proportions of ethnic settlement in the area of German-Czech conflict. According to the census of 1900, there are living in individual parts of the contested area:⁶

	Germans	Czechs
In the German area		
In the German districts of Bohemia	2,001,962	148,051
In the German districts of Moravia	463,509	144,437
In the German districts of Silesia	209,596	2,955
In Lower Austria	2,713,923	132,968
In the Czech area		
In the Czech districts of Bohemia	335,051	3,782,042
In the Czech districts of Moravia	211,983	2,582,833
In the Czech districts of Silesia	47,637	62,832

Now in Austria it is taken for granted that each nationality will have schools in its territory (i.e., in that area in which a majority belong to it) in which its language will serve as the exclusive language of instruction. Thus, the Czech nationality has a highly developed school system. In 1900 5,955,397 Czechs lived in Austria. To meet the needs of this part of the population, there is a university, two technical colleges, fifty-one academic high schools (Gymnasien), twenty-

6 Compare with Rauchberg, *Der nationale Besitzstand in Böhmen* (Leipzig, 1905); Herz, 'Der nationale Besitzstand in Mähren und Österreichisch Schlesien,' in *Zeitschrift für die gesamte Staatswissenschaft*, 65. Jahrgang.

four secondary schools (Realschulen), twenty-four teacher training institutes, seventy-six business schools, five higher business schools, thirty-five technical schools, seven trade schools, 396 schools for continued professional training, seventy-five agricultural and forestry schools, 474 middle-class elementary schools, and 5,104 general public elementary schools. In these teaching institutions Czech serves as the exclusive language of instruction. No one speaks of national rape in Austria such as that practised in Prussia and Russia against the Poles. In proportion to their numbers, the Czechs in Austria have access to fewer educational institutions than the Germans, but they are better off than all the other nationalities in the country. In fact the Czech people have a very high level of education. For every 10,000 Czechs older than five, 9,377 can read and write; among the German Austrians in the same age group only 9,184.

Only the issue of minority schools is disputed in Austria. Should the local communities, in which the Germans form a majority and the Czechs only a minority, establish public schools in which classes are taught exclusively in Czech? Translated into Prussian: that the Poles in the districts of Allenstein, Posen, Bromberg, and Oppeln can demand public schools with Polish as the language of instruction is self evident; disputed is only whether schools using exclusively the Polish language should be set up in Berlin, in Charlottenburg, and in Westphalia. Meanwhile the problem has been solved in most parts of the contested area: the German communities in the German regions of Bohemia and Moravia also are required to establish and maintain schools in which Czech is the exclusive classroom language if forty school-age Czech children live within a four mile radius and their parents demand one. According to the courts, only communities in Lower Austria are not required to create such schools. Private schools, maintained by the Czech *Komensky* Society, meet the needs of the Czech minority in Vienna. Of course, Austrian Social Democracy cannot ignore the issue of whether it will support the demand made by the Czech bourgeois parties to establish public schools taught in the Czech language in Vienna.⁷ Our *Nationalities Programme* (1899), which rests on the *territorial principle*, does not answer this question. Until the party congress settles the matter various viewpoints will be tolerated.

Czech Social Democracy stands firmly for the rights of schools for national minorities. Because Czech minorities in German cities consist primarily of workers, our Czech comrades regard the creation of Czech schools for minor-

7 According to the last census, in Vienna 1,386,115 people reported using colloquial German (Umgangssprache) and 102,974 people reported speaking colloquial Czech.

ities as one of the proletariat's needs. The struggle over minority schools consistently has pushed our Czech comrades further: using the slogan 'the Czech child belongs in a Czech school', they agitate at the beginning of each school year against the useful habit of Czech workers of sending their children to a German school for a year or two in order to learn German in addition to their mother tongue. They have called for a law in Moravia that would forbid parents to send their children to schools of other nationalities. Some Czech secretaries of the internationalist unions are regularly reproached in the Czech party press *for not being real Czechs*, because they are of such low character that they send their kids to German schools. Thus, in the struggle for minority schools the Czech comrades have convinced themselves that true internationalism consists in complete national segregation. If a Czech in a German city gradually becomes a German or his children become German, that would amount to a German conquest at the Czechs' expense; and because international Social Democracy combats nationalist conquest, it would have to try and preserve the racial comrades (*Volksgenossen*) of each country regardless of where the need to work drives them.

Within German Social Democracy in Austria there are two harshly antagonistic views on this question.

One perspective argues that language is nothing other than a means of understanding. One should support the language that best serves the goal of understanding and that best serves communication, therefore the language of the majority in a given area. Special schools for national minorities only make the latter's appropriate adaptation to the majority difficult. The preservation of the national minorities leads to ethnic struggles, which interfere with class struggle. Therefore: no German schools in Prague [and] no Czech schools in Vienna. At most one should provide transition classes for children of national minorities in which they learn the majority's language in order to transfer into the majority's schools.

In contrast, another perspective asserts: the problem of minority schools should be handled as a pedagogical one. As a rule, a course taught in the mother tongue will achieve greater success than a course taught in a language foreign to the pupil. Schools should be set up for the national minorities in which their language must be used in instruction. On the other hand, the school has not fulfilled its tasks when children do not learn the language of the majority of the population. This language should be taught as a subject in the minority schools and in some fields also should be used in higher-level courses.

This second viewpoint may have a majority in the German party; comrade Victor Adler advocated it in his speech on the budget. Adler expressly recognised as justified the demand that Czech schools in which German is still taught

in some satisfactory measure should be built in Vienna. The flagship newspaper of the German Party also supports this demand.

Now, to be sure, the issue of building such public schools is not pressing. The Viennese Czechs will have to satisfy themselves temporarily with private schools. They demand that the state at least guarantee subsidies to these private schools and the Czech Social Democrats support this position. With one limitation, the German Social Democrats also recognise it as justified. Previously, parliamentary influence had been removed from the question of creating minority schools; local communities, school officials, and courts dealt with this issue. If, however, the state gives a subsidy to a single minority school, then all such schools will raise the same claim: Hundreds of local nationality questions would then come before parliament. Burdening parliament with these questions would greatly intensify the nationalities conflict in that body. Therefore, our comrades recommend an alternative, which does not deny state assistance to minority schools, but undercuts the wrangling. According to the proposal brought forward by comrade Adler, the problem should be solved as follows: The state guarantees a sum of 3 million Kronen for the support of minority schools; this amount will be distributed among the nationalities in proportion to their population; the delegates of each nationality form a national department, which decides independently which schools in their nation should benefit from this money. In this way – on the basis of national self-determination – minorities should get justice without intensifying the nationalist struggle.

Adler made this proposal in the name of the whole party. When the Czech agrarian, Stanek, then put forward a proposal calling for a government subsidy of 100,000 Kronen for a Czech private school in Vienna, the German Social Democrats – with Adler's bill in mind – voted against it, the Czechs voted in favour, while the Polish and Italian comrades abstained. The vote was without practical significance, the Komensky School would not have received the 100,000 Kronen even if the German Social Democrats had supported Stanek's proposal. In principle, the antagonism between the German and Czech comrades was not large, because the Germans had shown themselves willing to back state support for minority schools through Adler's bill. At bottom the conflict boils down to whether the German Social Democrats would back support for minority schools at any price, including more intense national conflict, or only if it could be achieved without threatening domestic peace. All the same, the vote precipitated discussions in the party like we have never before experienced.

Initially the whole Czech party press assailed the German, Polish, and Italian comrades for having denied schools to Czech workers, for making common

cause with German nationalists, and for abandoning international solidarity. In popular assemblies demonstrations against the Germans were held. Czech workers who lived in German electoral districts were mobilised against representatives that they had elected. There were open threats to split the party and leave the federation. Compared with this agitation, all Reich German party discussions before and after the Dresden party congress were like child's play. A resolution of the Czech [party] organisation in Brünn shows how far the Czech comrades pushed the issue. The Czech political organisation in Brünn resolved:

1. We condemn the unfriendly actions of the German, Polish, and Italian Social Democratic representatives whose vote regarding the Komensky School in Vienna and equality of rights on the trains was hostile to the cultural interests of the Czech nation and especially to the Czech workers in Vienna. This action contradicts our national programme and we want to express our outrage to these representatives.
2. We call upon the association of Czech Social Democratic representatives to draw the right conclusions from the behaviour of the German Social Democrats and to break completely with the Viennese yoke.
3. We call upon Czech workers in Vienna and in the German areas of Bohemia to run their own Czech candidates in the elections to parliament and to resist the nomination of chauvinistic German Social Democrats.

This language was too much for the Czech party's flagship newspaper, which warned against such forms of expression. But the view in *Právo lidu* differed only with regard to the language, not with the spirit, of the resolutions. That a conflict like this was even possible shows well enough how much national sensibility is irritated by conflict in the unions. Naturally the separatists welcomed the conflict and they made thorough use of it. How can Czech and German workers jointly conduct class struggle if their representatives have differing opinions about the Stanek resolution?

If we remove all the distortions and exaggerations from the true content of the conflict between the German and Czech Social Democrats in Austria, then we arrive at a very serious antagonism rooted in the differences in the living conditions of the German and Czech proletariat.

The German workers know that since 1848 ethnic conflicts in Austria have been a severe hindrance to political and social progress. Every day they experience how the endless battle over the most absurd language issues makes the class struggle more difficult and confused, pushes all serious economic and social questions into the background, and splits the proletarian army. There-

fore the spectacle of nationalist conflicts fills them with disgust and scorn. To them, national peace is their chief interest.

The Czech workers are in a different situation. They belong to a nation that is not oppressed and enslaved like the Poles in Russia and Prussia or the ethnic groups in Hungary.⁸ Though they are doubtless less favoured than the Germans and the Poles, they have become rich and powerful and chafe under the remnants of the old ethnic inequality and foreign domination. The workers are very sensitive in that regard: when a Czech worker faces German capitalists or bureaucrats, the national struggle of his people appears to be a part of his social struggle against capitalism and the class state. National justice and national equality of rights now appear to him as goals in his fight.

When we talk about internationalism, the German worker thinks about national peace, the Czech worker about national justice. Programmatically, those are not mutually exclusive: because peace is only possible on the basis of justice and justice is only achieved with the conclusion of peace. But what emerges from this antagonism are tactical differences: The German worker does not want to sacrifice peace, even if the struggle concerns a just demand; the Czech worker does not wish to abandon his national demands if the struggle to fulfill them endangers the peace. The current conflict illustrates this antagonism very clearly. In terms of the programme, not much separates the two parties: the German party, too, calls for Czech minority schools and the Czech party will finally have to concede that the German language should also be taught in these schools. The fight has to do with the path to these goals. As the Adler proposal shows, the German comrades want to grant subsidies to minority schools only on the condition that they are removed from the nationalities' conflict in parliament. In so far as they support the Stanek resolution, the Czech comrades want state aid for minority schools without strings attached, even at the price of unleashing the bitterest ethnic struggles in

8 The Czech bourgeoisie controls the local and county assemblies in the Czech-speaking area. It has a majority in the state assembly of Bohemia and Moravia and in the Council of State. Of the 516 representatives in the Reichsrat, 108 are Czechs. Among government officials the Czechs are very strongly represented but less so in the officer corps. In the ministry, too, there are consistently Czechs. Since November 1908 the Czech bourgeois parties have opposed the Bienerth government, because the Minister President wanted to appoint only two Czechs in his cabinet, while the Czech bourgeoisie demanded three. It is correct that, compared to the Czechs, the Germans are still favoured in some respects; but should that make it possible for the Czech Social Democrat, Hudec, to say in parliament that the Russian Duma could protest against the rape of the Slavs in Austria with as much legitimacy as our protest against the rape of Finland?

parliament. This antagonism is rooted in the very real differences between the needs of the German and Czech proletariat; it cannot be swept away as long as it is only about demonstrations, only about statements of belief, and not about dealing with a national problem that is ready to be solved. It will be eliminated only if the objective conditions of struggle allow us to commit our full power to the conclusion of a peace that results in a just solution to the national question. At such a moment we will surely be united.

Unfortunately, we have to assume that also in the future Austrian Social Democracy will not be spared differences of opinion on national questions. Under these circumstances, our most important task is to make sure that the differences of opinion on individual national questions do not disturb the unity of the working class's economic, social, and political struggle. Sadly, this danger is very great. In their agitation and in their press, our Czech comrades grant the discussion of the national question far more room than their discussion of the most pressing social problems; they deal with national concerns with much more eagerness and passion than the great tasks of the whole working class. The parties have slipped into disarray, the unity of the trade unions and cooperatives is endangered, and we are daily threatened with the dissolution of the federation in parliament. The vehement attacks on the German party create an attitude within the Czech working class that makes joint work very difficult. This situation is unsustainable. The working class has other concerns than the schools of the Komensky Association, and the unity of the working class should not be threatened because of differences of opinion on a pair of local issues bearing only a very distant relation to the great international struggle for the liberation of the proletariat. Czech Social Democracy must be energetically reminded that the unity of the proletarian class struggle must be maintained, even if individual parts of the proletariat might have different perspectives on a few individual national issues.

We hope that the Copenhagen Congress of the International will not neglect to strengthen the Czech workers' understanding of this matter. There are probably individual Czech party members who will breezily dismiss the International's judgment. In Brünn on 20 June comrade Tusar asserted, 'One has thrown us out of the country, threatened us with hell, set the holy Monstrance against us. We have survived everything and remained sound. We will not be frightened, if one throws us out of the International'. But that is surely not what the majority of the Czech proletariat thinks. The judgment of the International will strengthen the centralisers who have been persecuted by the party and make a reasonable peace with the separatists who are so inclined. Perhaps it is not too optimistic to hope that Copenhagen will bring to the Austrian party what Amsterdam brought to the French.

Otto Bauer, 'Innere Kämpfe in der österreichischen Sozialdemokratie' (1910), *Werkausgabe*, 7, 961–78.



The Dangers of Reformism (1913)

The congress of the German Social Democrats in Austria, which met in Vienna in early November, also has earned the attention of party comrades outside the country. This was because no matter how unique the proletarian struggle might be under the particular conditions of the Austrian state, and no matter how differently it might unfold compared to simpler, more straightforward processes in other countries, this party congress was dominated by the same great issue faced by Social Democracy at the congresses of the International and the national parties: the struggle between reformist and revolutionary Socialism. The emergence of this issue in German-Austrian social democracy is all the more noteworthy, because here it is not debate about socialist theory, but rather the bitter experience of political practice, that has placed the general problem of socialism on the agenda.

Austrian Social Democracy was a small party until 1904, but between 1904 and 1907 it grew by leaps and bounds. The period of prosperity at that time promoted the rapid growth of trade unions, which were able to increase their membership from 189,000 to 501,000. Many struggles over wages achieved higher pay, shorter working hours, and more advantageous contracts. And these great successes in economic struggles were matched by a great political victory. The Hungarian military conflict, which forced the crown to threaten the parliament of nobles with universal suffrage, spurred the Austrian working class to unleash the struggle for the franchise in Austria, too. The Russian Revolution gave this fight momentum and power. In league with the crown and the bureaucracy, the proletariat destroyed the electoral privileges of the feudal nobility and the bourgeoisie.

This great victory led new masses into the social democratic camp. The attitude of these masses was thoroughly reformist. They were won over to the party by the attractive power of its victories between 1904 and 1907. They expected an endless chain of such successes and greeted the new parliament based on universal and equal suffrage with boundless hopes. To the working class, the old parliament of privilege remained responsible for everything: wouldn't things now have to change since the workers had taken the *people's parliament* in a bold assault? Thus the working masses hoped that a great era

of social reform, a peaceful and rapid elevation of the proletariat, and the gradual *hollowing out* of capitalism would follow the conquest of universal suffrage. This reformist attitude of the masses in Austria was not the product of conscious revisionist propaganda, but rather the unavoidable result of the great victories from 1904–7. But the reformers' hopes also had to lead to bitter disappointment.

First, the economic condition of the working class worsened noticeably. Inflation broke out and an industrial depression followed. In 1908 we had a difficult economic crisis. In 1909 recovery was made more difficult by the danger of war following the annexation of Bosnia and through the impact of two bad harvests in 1910 and 1911. As a result of the chaos in the Balkans, a crisis broke out in Austria the likes of which had not been experienced since the seventies. Following years of trade union gains, the capitalist associations took advantage of the unfavourable economic situation. After 1907, wages for full-time employees rose much more slowly than the cost of food and rent. Shortened hours meant lower income for many workers and tens of thousands were out of work entirely for months.

It was at that moment of terrible impoverishment for workers that Austro-Hungarian foreign policy made a fateful turn. The monarchy's Balkan policy, peaceful during the period of the Mürzsteger Agreement* (1903–8), became violent and dangerous after Count Aehrenthal announced the construction of the Sandschak railroad and annulled [Austria's] agreement with Russia.⁹ The annexation of Bosnia and the anti-Serb policies of recent years almost brought Austria-Hungary to the brink of war twice. Over the last four years much of the army was twice put on a war footing. Last year tens of thousands of reservists, tens of thousands of family fathers, stood for eight months on the Serb border. Militarism redoubled its efforts. In 1911 Austria-Hungary, which hitherto had not had much of a war fleet, decided to build a squadron of dreadnaught battleships. In 1912 the yearly draft of army recruits was suddenly increased by 50 percent. Along with that, the ruling class's view of Social Democracy changed. The working class was a welcome ally of the Crown against the parliament of privilege in 1905 and 1906, but now the Crown views Social Democ-

* Austria and Russia signed the Mürzsteg Agreement in 1903. It guaranteed the borders of the Ottoman Empire and urged the Ottomans to undertake reform in the province of Macedonia.

9 Aloys Lexa Graf Aehrenthal (1874–1912) was an imperial statesman and after 1899 served as Ambassador in Petersburg. In 1906 he became foreign minister and in 1908 provoked Russia through the Annexation of Bosnia and Herzegovina.

racy, the one serious opponent of imperialism and militarism, as the enemy. The administration and the courts are more hostile than ever toward the working class.

The parliament has been powerless and without influence in the face of this development. The introduction of universal and equal suffrage had made the power struggle among the Austrian nationalities broader, more complicated, and sharper. Nations such as Ruthenia and Slovenia, which had no place in the census, fully emerged onto the historical stage only after the democratisation of the franchise. Developments of recent years strengthened the self-consciousness of both: the Russian Revolution that of the Ruthenians; the victory of the South Slavs on the Balkan peninsula that of the Slovenes.

Young, dissatisfied, and socially still completely undifferentiated, they bring the full weight of the people to bear in their struggles for a university, for the reform of the franchise for the state assembly, and for greater representation in the bureaucracy. And because the small nationalities cannot hope to win a parliamentary majority for their demands, they use the weapon of obstruction to extort what they want. The larger nationalities, however – the Germans, Czechs, and Poles – don't dare to strip them of this power because none of them disposes over a parliamentary majority. Each one of them, too, fears being outvoted by a hostile coalition. So each of them also wishes to preserve the possibility of obstruction. Because each nationality views the right of obstruction as an indispensable defensive weapon, parliament must put up with two-dozen Ruthenians or Slovenians repeatedly making its work impossible. And because the people's representative body is paralysed, the bureaucracy makes the decisions. On the basis of the notorious Paragraph 14 of the Constitution, it can impose laws on the empire without the approval of parliament.

But also at times in which the parliament was not paralysed, it also looked very different than the proletarian masses had hoped. In Austria, too, the sharpening of class antagonisms had occurred very quickly. The successes of the unions had driven the craftsmen into the arms of large industry. The growth of consumer cooperatives had filled the small retailers with hatred of the working class. Conflicts over the wheat tariff, the ban on cattle imports, and the increase in the workers' wages in agriculture as a result of the labour shortage had mobilised peasants and landlords against Social Democracy. The tendency of all the possessing classes to unite against the proletariat was strengthened through the electoral reform. If the bourgeois parties had been able to struggle undisturbed against one another in the days of the curial parliament, they now all saw themselves threatened by Social Democracy. Apart from a small group of free thinkers in Vienna, in German-speaking areas all the bourgeois parties

joined together against Social Democracy. In parliament every attempt to pass legislation to protect workers ran into the resistance of all the bourgeois parties. The ‘one reactionary mass’ is a fact here.*

It had happened much differently than the masses had hoped. Instead of the era of *positive successes*, of social reforms, of the *hollowing out of capitalism*, came an epoch of inflation, of economic crisis, of preparation and mobilisation for war, of nationalist obstruction, of absolutist dictatorship, of the alliance of bourgeois parties against us, and of paralysis in the passage of social-political legislation.

The masses hoped at first to counter these developments through tactical devices.

In 1905 and 1906, in league with the Crown, we broke the resistance of the nobility and bourgeoisie against equal suffrage. Also, after the electoral reform, many still believed in the possibility of cooperation between international Social Democracy with the regime of international states against bourgeois nationalism. The presence of some Social Democrats at the speech from the throne in 1907 and Pernerstorfer's appearance at court were symptoms of this attitude.¹⁰ Since then, however, the Crown has turned away from democracy. After it established peace with the Hungarian nobility, dropped universal and equal suffrage, and implemented Tiszas dictatorship, [and] since imperialism and militarism force the working class to fight against the policy of the dominant classes, hope for cooperation, as envisioned in 1905 and 1906, disappeared. Immediately after the annexation crisis the Reichenberg party congress (1909) declared that the type of experiments such as Pernerstorfer's appearance at court may be repeated.

Since it was impossible to achieve the hoped for reforms in league with the government, one sought to win them through struggle. In 1905 and 1906 street demonstrations had been our most important means. And because of the especially favourable circumstances at the time – the time of the Hungarian military conflict and of the Russian Revolution – they had led to victory [causing] the

* The reference here is to a phrase used by Ferdinand Lassalle to describe the political attitude of the petty bourgeoisie. Relative to the working class, Lassalle asserted, ‘all other classes form only one reactionary mass’. Marx sharply criticised this formula as ‘nonsense’, most famously in his Critique of the Gotha Programme. For a thorough discussion of the issue see Draper 1978, pp. 308–12.

10 Engelbert Pernerstorfer (1850–1918) was first a German nationalist and was elected to the Reichsrat in 1885. In 1896 he joined the Social Democrats and in 1907 became Vice President of the lower house of parliament. In this capacity he had to introduce himself at the imperial court, an action that elicited various opinions among his comrades.

masses to believe that, in all circumstances, street demonstrations would be an infallible instrument. In the struggle against the rising cost of food this weapon was used repeatedly. Because the peaceful street demonstrations failed, on 17 September 1911 the masses stepped up the demonstrations into a revolt – despite the shop stewards' admonitions and warnings. As a result the state was able to take bloody revenge.

Helpless to change the direction of this development themselves, the masses placed their hopes once again in their parliamentary representatives. They still believe that the hoped for success will be theirs, if only our delegates use the most effective means. Sometimes this madness stands out as totally naive. Once, for example, an organisation composed of workers from a state-owned streetcar workshop threatened that they would cease paying party dues if its parliamentary delegation failed to win a wage increase. Many party comrades became increasingly convinced that only the delegation's false tactics could explain the lack of successes. Gradually the idea became popular to resort to obstruction. The masses heard that two-dozen Ruthenians could make any parliamentary work impossible. Why don't our delegates do the same? Why are they satisfied with criticising the government and with voting instead of using obstruction to force concessions for the workers?

Thus, the Vienna-Meidling and Graz district party organisations made proposals to the party congress in which they called on the delegation to no longer rest content with just opposition, but on the contrary to obstruct all government proposals, especially those related to the military, until it could achieve its socio-political demands for old age and sickness insurance. The debate at the party congress showed without any doubt that the thinking represented in these proposals is very widespread. A part of the Viennese delegation and the delegates from Steiermark, Salzburg, and Vorarlberg supported the motions.

The party executive and the delegation opposed them by explaining Austria's contemporary situation. Years of obstruction in the Bohemian State Assembly had already allowed bureaucratic absolutism to usurp the role of that ruined institution. A similar development was occurring in Galicia. Soon the assemblies in all the ethnically mixed states would be shut down and replaced by government appointed *administrative commissions*. And just as obstruction has paved the way for absolutism in the states, it has done so, too, in the empire. No parliament can exist if today one and tomorrow another party can obstruct all work. If continuous obstruction makes parliamentary decision-making impossible, then there is only one alternative: either a reform of its procedures, which would make obstruction impossible and subjugate all minorities to the complete domination of the majority, or absolutism will shut the parliament down.

Hitherto obstruction has been a weapon in nationalist struggles. If the Social Democrats resorted to it, then it would be a weapon of class struggle. Each class would then make use of this weapon: today the workers, tomorrow the artisans; today the agrarians, tomorrow the industrialists. Nationalist obstruction has already shaken parliament and paved the way for Paragraph 14. Social-political obstruction would destroy parliament completely and leave absolutism in the saddle. It cannot be our task to destroy parliament; rather it will be our duty in the future to cooperate in a reform of its rules that reduces the possibility of obstruction, restores the principle of majority rule, without which parliamentarianism cannot exist, and thereby protects parliament against the growing danger of absolutism.

The party congress could not ignore the power of these arguments. After long debate, it accepted the resolution of the German delegation from Bohemia, which rejects obstruction as a normal parliamentary weapon and declares it only viable as a final and extreme means of parliamentary defence.

But as important as this decision is, it was not the most important achievement of this congress. Much more important is that the debate about obstruction led to an argument about our whole relationship to parliamentarianism and to the bourgeois state as such. For the party there is no greater danger than the illusion that tactical skill is all that is required in order to usher in the era of positive successes, of social reforms, and era of the *hollowing out* of capitalism. The whole debate was dominated by the recognition that it is a vital interest of the party to lead the masses, dazzled by the successes from 1904 to 1907, back to the old lessons of Marxism. Capitalist development does not lead to the peacefully progressing improvement of the proletariat, but on the contrary to its impoverishment, to increasing exploitation, to a sharpening of class antagonisms until we become strong enough to destroy the entire capitalist world. With straightforward incisiveness did Victor Adler above all tell our comrades: It will never go well for us, if we want to be satisfied with the successes that we achieve within the capitalist state. Our strength grows only from the dissatisfaction with this whole capitalist world. We dare not hope for an era of social reform, but rather only for the great epoch of social revolution.

And with this turn in our relationship to capitalism in general, simultaneously our relationship to the Austrian state in particular also changes. In the giddiness of our victory in the struggle for suffrage, the illusion had taken hold in our ranks that this Austria could become a model democratic state, another Switzerland, that would prove to the world that eight nations could live together under the same roof in freedom and peace. The destructive internal confusion of recent years and the catastrophic worsening of the Empire's position in Europe through the upheavals in the Balkans have destroyed this illu-

sion. At this party congress for the first time it became clear just how difficult it is to shake the belief in Austria's survival.

The epoch of bourgeois revolution in the past had created national states on the rubble of old feudal and absolutist state forms. It had allowed Austria to survive as a sum of fragmented peoples, which was left over from the process of national state-building. It is an open question, whether under the pressure of future revolutions Austria will be able to reorganise itself into a viable federal state of autonomous nations or if it will collapse and devolve its peoples onto the national polities around us. In other countries it might still be thinkable that the proletariat gradually and peacefully takes control of the state machine; on our territory it is obvious that a state machine that we could take over must first be created in the great storms of European history.

These perceptions are, indeed, not new. There have always been comrades in Austria who have warned about reformist views and worked to educate the masses in revolutionary thought. But earlier they found few who listened. At this party congress it became obvious for the first time that the whole party public is beginning to understand the dangers of reformism; that our most responsible shop-stewards, through bitter experience, understand that reformist illusions only lead to disappointments, which backfire on the party. If the mass is trained to pin boundless hopes on positive successes, such hopes, when the successes fail to materialise, can only lead people to no longer make capitalism responsible for their poverty, but rather Social Democracy; not the dominant classes, but its delegates.

Indeed, it will not be very easy to teach the broad proletarian masses to think differently. That will require years of educational work: the educational work of our words no less than that of experience. Because the Vienna party congress has taken the first step in this educational work, it has earned a special significance in our party's history.

Therefore this party congress has also caught the attention of our comrades outside of Austria. Austria is so often made out to be the model country of international reformism that revisionists everywhere praise Austrian Social Democracy as a model. Now Austria has demonstrated the dangers of nothing but reformism to the whole International. Our experience can be a lesson and a warning to our brother parties abroad.

Otto Bauer, 'Die Gefahren des Reformismus' (1913), *Werkausgabe*, 7, 1040–8.



The Basic Question of Our Tactic (1913)

The Party Congress of German Social Democracy in Austria is meeting at a difficult time. The agenda makes clear the issues weighing on the working class: militarism's adventurist foreign policy and limitless demands, the economic crisis and unemployment, the paralysis of social-political legislation, and reactionary politics in the legal and administrative spheres.

A large part of our party membership is dissatisfied with the way our delegates are pursuing the struggle. The comrades are calling for a *more radical tactic*. They demand obstruction; a desire expressed by comrades Lindner and Schab in *Der Kampf*. An article by comrade Rodler, which we have published in this issue, agrees with them. In our big organisations, the demand for a change in our parliamentary tactics has been passionately debated and a trade union paper has also engaged the issue.¹¹ It is propounded in two proposals before the congress, which now has to reach a decision. If the debate is to clarify matters, then our whole relationship to parliamentarianism has to be the subject of discussion.

In this discussion we will not be able to follow comrade Schab's peculiar advice not to use the method of the materialist conception of history in the study of political questions. That is the thing of which we are most proud; that is what elevates us over petty bourgeois tub-thumping. To find our way in the chaos of political events we have learned from our masters to consistently work to explain them from the process of economic development, from class struggle, and from shifts in the power relations among classes. Therefore, we wish to investigate how the history of the Austrian proletariat in the last decade has shaped its relationship to parliament and how this relationship must change as class struggle continues.

Austria suffered a palpable blow following the Imperial German economic crisis of 1901. In 1902 the industrial cycle reached its nadir. The years that followed gave rise to an economic boom in the entire capitalist world, including Austria. The industrial upswing benefitted from good harvests. From 1905 to 1907 Austria enjoyed remarkable business activity. The working class took full advantage of this period of prosperity. It was first in these years that the trade unions became a force. Between 1904 and 1907 the trade unions' membership rose from 189,121 to 501,094 and income increased from 3.4 to 8.1 million Kronen. As a result of this leap in union growth, there was a no less substantial improvement in the condition of the working class.

11 *Der Textilarbeiter* of 23 October 1913.

Hand in hand with this economic advancement went political upheaval. The first collision originated in Hungary. With the new elections there in 1905 the liberal majority was smashed. The coalition refused to grant the military's demands for support, resulting in the King's decision to appeal to the masses against the recalcitrant aristocratic parliament. In August of 1905 the Fejerváry-Kristoffy government announced a democratic electoral reform. Now the working class in Austria has also risen up: What the King of Hungary promises, the Emperor of Austria cannot reject.

A new boost to the struggle for electoral reform came from Russia. The defeat of the Russian military in Manchuria was followed by revolution in Russia. The victory of the Russian general strike in October of 1905 terrified the rulers. Under the pressure of these historical events, a great turn occurred. The crown and the bureaucracy recognised that they had to carry out a victorious electoral reform in Austria in order for them to succeed against the rebellious nobles in Hungary. They grasped that it would be dangerous to deny the working class the fulfillment of its demand at a time in which the victory of their Russian brothers swelled its awareness of its own power. In November 1905 Gautsch's government promised electoral reform. Under pressure from the crown and bureaucracy on the one side, and from the working class on the other, the feudal lords and the bourgeoisie had to surrender their privileges. In 1907 the electoral reform became law.

On the economic as well as the political field of battle the working class had won a series of surprising victories in the short time of four years. Now it believed that nothing could resist it: The working class can do anything that it sets its mind to. The working masses expected that the string of victories was not yet complete and that the working class would move from one victory to the next at a rapid pace. But then came the turning point. First inflation became noticeable. Prices rose throughout the world economy. In Austria the inflation was sharper due to new tariffs. The buying power of the money wage fell. Workers felt that they had been cheated of victory in the struggle for better wages. Crisis followed the inflation. The peak of the economic conjuncture had been reached in 1907; 1908 brought unemployment, reduced hours, and falling wages. In 1909 the danger of war undercut the economic recovery. 1910 and 1911 brought gradual improvement, but the Balkan war of 1912 gave rise to a new crisis. Hit simultaneously by inflation and crisis, the working class saw its situation substantially decline.

The successes of the trade unions between 1904 and 1907 had pushed the entrepreneurs onto the defensive. Capitalist associations established themselves. The old alliances came under the control of firebrands. In 1907 the headquarters of the industrial capitalist organisations began to work effect-

ively. In times of crisis the unions are unable to move forward as in periods of economic expansion. An organised enemy is more effective than a disorganised one. Therefore the unions failed to achieve great successes as they had been in the preceding period. Wage increases, which were won despite unfavourable conditions at that time, were not large enough to compensate the workers for the increase in the cost of food and houses. The masses, recently won over and still unschooled, were disappointed.

At the same time, the conditions of struggle on the political battlefield also changed. The Russian Revolution was crushed. The coup d'état of 3 June 1907 marked the victory of counterrevolution. The fear that the victory of the Russian Revolution would push forward the advance of democracy throughout Europe, disappeared among the ruling elite. Intimidated by the threat of universal and equal suffrage, the Hungarian nobility had dropped its opposition to the demands of the military. In 1910 it allowed the coalition to fall, led the old liberal party back to power under a new name, and agreed to all the demands of the military administration. The threat of universal suffrage had achieved its aim. The crown no longer needed it and gave its approval to the undemocratic electoral reform of Lukács and Tisza.* The moment in which the working class had the strong support of the crown in its struggle against the privileges of the nobility and the bourgeoisie, had now passed in Austria.

Today the rulers are pursuing wholly different political goals. The Turkish Revolution of 1908 followed the Russian Revolution of 1905 and set the entire Balkans in motion. The annexation of Bosnia, uprisings in Albania, war for Tripoli, and the two Balkan wars of the last two years were the consequences. The antagonisms among the great powers intensified. England, Germany, France, and Italy made enormous sacrifices for their armies and fleets. Austria-Hungary will not stand back. It feels its position of power in Europe weakened as a result of the Balkan wars. It seeks to strengthen its power through massive expenditures for the army and navy. But this burden is unbearable for the weak Austrian economy. Operating under a state of siege, parliament cannot be granted the time and energy needed for it to exercise its own will; it must be continually subject to the threat of Paragraph 14 in order to secure its approval of the package for the army and fleet.

Torn by national conflicts and endangered by nationalistic obstruction, parliament cannot find the strength to defend itself. But the relations in parlia-

* Prince Ladislaus von Lukács and Count István von Tisza served as Hungarian Prime Ministers in 1912–13 and 1913–17, respectively.

ment among the classes also have completely changed. From the outset of the constitutional era until the nineties, the antagonism between the bourgeoisie on the one side and the feudal nobility, the petty bourgeoisie, and the peasantry on the other, dominated Austrian political history. All the laws for the protection of labour that we have in Austria we owe to the exploitation of struggles among the possessing classes. Laws protecting industrial workers were called for and approved by the feudal lords, who aimed to play off the industrial working classes and the industrial bourgeoisie against one another; by the petty bourgeois, who, driven to the wall by industrial capital and oppressed by commercial capital, gave aid to the workers against the capitalists; by the peasants, who, exploited by usurious capital and crushed by mortgages, called for struggle against *mobile* capital. That was the basis of the feudal, petty bourgeois, and peasant anti-capitalism, which dominated Christian Socialism and nationalism in the eighties, influenced the bureaucracy and science, and passed protective labour and workers' insurance legislation.

Matters have changed today. The feudal lords and the peasants no longer regard capital as their enemy, but rather the working class. It leads the struggle against grain tariffs and the ban on the importation of cattle. It has achieved higher wages in the cities, the higher wages attract thousands of peasants' sons and rural workers to the towns. Flight from the land and lack of workers also forces the large landholders and peasants to pay higher wages. Every success of the industrial workers has this type of impact on the conditions of labour in agriculture. The agrarians no longer vote for protective labour legislation, even if it only impacts the industrial workers.

In the same way, the relationship between the petty bourgeoisie and the working class has changed. The unions have won higher wages and shorter working hours from the master craftsmen. The development of consumer cooperatives has damaged the retail traders. As a result the petty bourgeoisie is filled with wild hatred of the working class. It has moved closer to big capital, which it had once so energetically combatted. In the capitalist associations the craftsmen and big industrialists are united in their struggle against the workers. Big capital and small business now cooperate in the political struggle against workers' demands.

Therefore we now face a coalition of all the possessing classes: the feudal nobility, the peasantry, the petty bourgeoisie, and big capital stand together against us. The Christian Socials renounce the *romanticism of the eighties*. The nationalist federations march under the leadership of Schuster, Brass, and Janotta. In place of the class struggle among the possessing classes themselves, emerges their united class struggle against the proletariat.

Economic factors drove this change, but the electoral reform powerfully accelerated them. Earlier the bourgeois parties could combat one another within their privileged curia, but now they are all threatened by Social Democracy. The fear of workers' votes united them against the working class.

In the eighties bourgeois parliaments approved laws to protect workers and introduced workers' insurance in the hope of satisfying the working class, allaying its discontent, and cutting the ground out from under social democratic agitation. At the time, the protective labour laws served as a means to combat Social Democracy. Today the smallest progress in the sphere of protective labour legislation can only be achieved through social democratic efforts against a resistant bourgeoisie. Every protective labour law is, therefore, a social democratic success, which increases its ability to recruit. The bourgeois parties once approved protective labour legislation to undercut Social Democracy. Should they do so today in order to strengthen it?

Thus the working class faces ever-increasing obstacles on both the political and economic fields of battle. The hoped for successes fail to occur. The time of great victories, like those we won between 1904 and 1907, is interrupted. The revisionist belief, that the working class could progressively move from one *positive success* to another and gradually *hollow out* capitalism, is shaken.

This experience cannot surprise us Marxists. To us it is nothing more than a confirmation of our old teaching. We have consistently predicted that the development of capitalism will not lead to a peaceful and gradual ascendancy of the working class, but on the contrary, it will lead to a sharpening of class antagonisms [and] to the unification of all the propertied classes against the proletariat. But the masses, which only in the most recent period of prosperity aligned themselves with the trade unions, and which were drawn to the party only in the storm of struggle for the franchise, have never recognised the old Marxist lesson. What they saw were the great victories of 1904 to 1907. What they expected was an endless chain of such victories. Now they are disappointed. They have not understood what historical conditions made the victories of the time possible. They do not understand now what historical conditions today deny us such victories. They still think the working class can do anything as long as it only has the will. They believe it only requires great energy, determination, and ruthlessness for us to again achieve such victories. They imagine, when the victories do not occur, that this could only be due to the incorrect and timid tactic of their leaders.

This attitude is also noticeable in the trade unions. There, too, there are quite a few who do not understand the new conditions of struggle, who do not grasp that one cannot fight against organised capitalists with the same means as against those who are disorganised, and that in times of crisis one cannot

fight in the same manner as in times of prosperity.¹² This attitude is much stronger, however, within the party. The disappointed mass seeks new means of struggle. It sees that in parliament Czechs, Slovenes, and Ruthenians practice obstruction. Why do our delegates not do the same? Why are they satisfied to vote and to give speeches when action is called for? Thus the call for obstruction grows stronger.

The situation in which we find ourselves is the product of the iron laws of capitalism. It is a falling back into a way of thinking, which Karl Marx called *parliamentary cretinism*, in which one believes that, through a simple alteration of parliamentary tactics, the laws of capitalism can be annulled, inflation and the housing shortage swept away, the resistance of the united propertied classes broken, and the division of powers between crown and parliament overthrown. But as foolish as this supposition is, it is the necessary result of the history of the last decade: a history which led the unschooled masses to impressive victories, which awakened in them the greatest hopes, and which then suddenly disappointed them. The materialist conception of history is able to do a great deal; it teaches us, as one sees, even how to understand the errors of comrade Schab. There is no doubt that the attitude crying out for a *more radical tactic* is present in the masses. Therefore we have to grapple seriously with this demand.

The goal of our struggle is the conquest of state power. Power, which today is in the hands of the possessing classes, must be wrenched away from them and fall into the hands of the proletariat. In this struggle the proletariat has two methods at its disposal: the method of revolutionary dictatorship or the method of democracy.

The older method is that of revolutionary dictatorship. The proletariat, although a minority among the people, attempts to overthrow the ruling authorities through the mass strike and an armed uprising. It takes power for itself. It attempts to hold power through the use of terror against the other classes. But all these attempts have failed. It has become clear that the proletariat cannot dominate society as long as it is a minority. 'The time of surprise attacks, of revolutions carried out by small conscious minorities at the head of the unconscious masses, is over' (Engels). The proletarian revolution can only win, 'as an independent movement of the vast majority in the interest of the vast majority' (Marx).

12 Compare, for example, the very characteristic article 'Unzufriedenheit am falschen Platz' in the *Schumacher-Fachblatt* of 10 October.

Through these defeats the proletariat was forced to move toward the other method: that of democracy. Democracy is the domination of the majority. The majority of the people elect the delegates. The majority of the delegates make the laws. The majority of the people are, however, initially not workers, but the possessing classes – petty bourgeois and peasants under the leadership of the bourgeoisie. Democracy is, therefore, at first not a means of proletarian rule, but the most perfect form of bourgeois domination. At the same time, however, the proletariat's entrance into the terrain of democracy gradually transforms it, in a process lasting decades, from a means of bourgeois domination into a means of proletarian struggle.

Universal suffrage brings the entire bourgeoisie and all elements of the possessing classes to power. It is to them that the working class makes its demands. Occasionally it forces the recognition of individual interests of the workers in legal form by taking advantage of the division within the bourgeoisie itself. But the stronger the proletariat becomes, the more all parts of the bourgeoisie draw together against the working class. The more clearly the bourgeoisie recognises that concessions do not satisfy the proletariat, but rather only strengthen its desire for battle, the stronger becomes its resistance to workers' demands. But it is exactly through the bourgeoisie's rejection of the demands of the working class in parliament that it awakens the class-consciousness of hundreds of thousands of workers and drives the proletarian masses into the social democratic camp. 'If universal suffrage is not the miracle-working magic wand so esteemed by the republican philistines, it possesses the unequalled merit of unleashing the class struggle, which allows the various middle class groups in bourgeois society to quickly get over their illusions and disappointments, catapults in one throw all the fractions of the exploiting class to the apex of the state, and thus tears from them their deceptive mask, whereas the monarchy with its property qualifications had let only certain factions of the bourgeoisie compromise themselves, allowing the others to lie hidden behind the scenes and surrounding them with the halo of a common opposition' (Marx).

The class conscious proletariat develops from a minority to a majority as capitalist development itself increases its numbers and places it in ever crasser opposition to the capitalist class; as the educational impact of parliamentary struggle loosens its adherence to the followers of the bourgeoisie and unites it in Social Democracy; and as it is roused by the great shocks in the life of the state, which are also caused by capitalism. As soon as this level of development is reached, the bourgeoisie has only *one* choice left. It can either allow the newly forming proletarian majority to also achieve a majority in the legislature and thus transform parliament from an instrument of bourgeois domination into a proletarian one, or it can destroy the democracy by abolishing universal suf-

frage. That would then force the proletariat into the streets for open battle. The proletariat again resorts to its old weapons. It attempts once again through the mass strike or popular uprising to establish its revolutionary dictatorship. But it takes up its old struggle now in a totally different situation under conditions that are much more favourable. It takes up the struggle no longer as a minority but rather as a 'movement of the great majority in the interest of the great majority'.

That is the old social democratic conception of parliamentarianism. In its classic description, in Engels's famous 'Foreword' to Marx's *Class Struggles in France*, the possibility of achieving *positive successes* in parliament is not even mentioned. Of course, Marx and Engels were also convinced that the party and the unions today must wring from capitalism whatever they can; they defended the recognition of this necessity passionately against Proudhon and Bakunin. But they did not view the value of social democratic action principally in such successes. 'From time to time the workers are victorious, but only temporarily. The real result of their struggles is not their immediate success, but rather the increased unity of the workers' (Marx). They sought the value of parliamentary action in so far as it unmasked all the bourgeois parties, let all the factions of the bourgeoisie compromise themselves, grouped all layers of the proletariat together against bourgeois domination, and intensified class antagonisms until the proletariat became strong enough to fight the decisive battle, to seize power for itself, and to recast the whole social organisation now in its possession.

This conception was unchallenged until the nineties and the emergence of revisionism. It propounded the idea that Social Democratic parties only have to change their parliamentary tactic in order to achieve an endless series of *positive successes*. A descendent of international revisionism is also that which today in Austria poses as radicalism. But this radicalism also holds that it requires only a change of parliamentary tactics to secure *positive successes*. The means recommended by both currents are, indeed, different. International revisionism recommends alliances with bourgeois parties and the entrance of Social Democrats into bourgeois governments. The Austrian radicals recommend filibustering and podium concerts. But what both have in common is the superstition that parliamentary tricks can annul the effects of the iron laws of capitalist development.

How far the incorrect appraisal of the victories between 1904 and 1907 had distanced us from the old Marxist conception of parliamentarianism; how deeply we sank into the foolish illusions of what Marx derided as the petty bourgeois democracy of 'republican philistines' to whom universal suffrage was not the mere terrain for the unleashing of class antagonisms, but a 'magic wand for the working of miracles'; how completely had the breathless spirit

of reformism taken hold of a large part of our troops is illustrated in comrade Schab's article. 'If Otto Bauer were right', he writes, 'then I could come to no other logical conclusion than that the aimless and complacent party should dissolve itself'. That means: When our representatives are unable to achieve their aims in bourgeois parliament, Social Democracy has no reason to exist.

Reformism – in Germany called armchair socialism (*Kathedersozialismus*) in its bourgeois formulation and *Revisionismus* in its proletarian counterpart – has taught the workers that neither political nor social revolution is necessary. Through the trade unions, you can achieve higher wages and shorter working hours. Through the trade unions, you can conquer influence in the commodity markets. In parliament you can achieve protective labour legislation and free trade. Then you can convince yourselves that within the framework of capitalist society you can also steadily improve your condition; private property of the means of production is no hindrance to your rise.

Marxism has responded to reformism as follows: surely, through the unions, cooperatives and parliamentary action we want to wring from capitalism whatever we can. But we don't deceive ourselves that under capitalism the possibility of achieving positive reforms faces narrow limits. We know that these limits are all the narrower the more that fear of the working classes rallies the possessing classes together. We recognise that exploitation can only be ended after the proletarian conquest of political power and through the appropriation of the means of production by organised society.

And, after the history of the last half century, and especially that of the last decade, has proven Marxism to be fully correct in its critique of reformism, one Social Democrat finds himself in the position to write that Social Democracy could dissolve itself into a purposeless formation if it was unable to achieve a *positive success* in every meeting of parliament. And this slipping back into the most narrow-minded 'nothing other than reformism' also still adorns itself with revolutionary phrases. The man to whom Social Democracy is nothing other than a reform party like any other, dares to scold us as *old liberals* and to charge us with *becoming bourgeois* (Verbürgerlichung).

And what is the basis of this superstition that we can reach the most glorious positive successes if we would only smash the podium in the parliament and break some windows in the streets? – the order of business in the Austrian House of Representatives. Social Democracy can obstruct no parliament in the world. Nowhere is there an agenda that allows obstruction; nowhere is there a majority that allows the minority of ruffians to exercise a veto. In all parliaments the Social Democratic minority is limited to the methods of opposition, namely what comrade Schab disparagingly calls 'speechifying', which to him

appears as the 'Buddhist Nirvana'. Only in Austria does the order of business allow obstruction. That the skilful use of the Austrian rules for doing business could annul the fundamental laws of capitalism is the last sanctuary of reformist illusions. Therefore this insanity must be wiped out until not even the tiniest thread of it remains.

In Austria the working class is still a minority, in Austria-Hungary – both states are unified economically and militarily – it is not even a large minority. On the basis of development achieved thus far, a revolutionary dictatorship of the proletariat over the empire is not possible. To the working class there is no other way open than that of democracy.

Our state constitution is an aggregation of absolutist and oligarchic institutions, into which a democratic element has been inserted: a house of representatives elected by the universal and equal franchise. It is an interest of the working class to strengthen the power of this single democratic institution against the bureaucracy and the oligarchic corporations (The House of Lords and the State Assemblies). We are not concerned simply with the state constitution, as comrade Schab implies, but with the development of democratic elements of this constitution against the bureaucratic and oligarchic ones.

Democracy is the domination of the majority. It assigns the majority and the minority with specific tasks. The majority alone has the task of making decisions. That is what separates democracy from oligarchy.¹³ The minority is charged with control. It exercises this control by practising criticism in parliament and making proposals, by telling the masses themselves how the parliamentary majority ignores its criticisms and how it votes down its resolutions. The nation sees the decisions of the majority and hears the criticism of the minority. After it has heard both sides, it decides who should have a majority, based on new elections. This system is called democracy.

Comrade Rodler believes we need not accept the decisions of the parliamentary majority, because it 'represents the interests of a minority of the population'. But the parliamentary majority is actually elected by the majority of the people. The Social Democrats in parliament therefore are really only a minority, because the class-conscious working class is only a minority in the nation. That the parliamentary majority poorly represents the interests of the popular majority that elected it is true. Therefore we must instruct the people about that through our criticism in parliament and through our agitation outside of parliament. But as long as the popular majority grants the bourgeois parties rather

13 Oligarchy: Domination of the few, domination of a minority. For example, aristocracy (rule of the nobility), bureaucracy (rule by officials), plutocracy (rule by the rich).

than us a parliamentary majority, then it is not we but they who are called to rule and make decisions as the representatives of the majority of the people.

Comrade Rodler objects by asserting that the true will of the people cannot be expressed in a system of parliamentary representation. It can only be communicated through a direct vote (*Urabstimmung*) of the people. In that regard he overlooks that we have such a direct vote. Every new election of parliament is such a direct vote. In 1911, for example, the dissolution of parliament immediately followed the passage of the military budget (credit for annexations, dreadnoughts). It occurred at a moment in which militarism's new demands (the army law) and the tax proposals of the government (tax on spirits) were well known. It took place simultaneously with the promulgation of a whole series of Paragraph 14 decrees. In its speeches, in its electoral leaflets, and in its advertising, Social Democracy had made all these themes the subject of the electoral campaign. Nevertheless, the Social Democrats of every nationality won only a million votes, while 3.6 million votes went to the bourgeois parties, whose voters knew that they will agree to the military's demands and to the indirect taxes and that they would accept the Paragraph 14 decrees. Not parliament, but the nation itself had decided in favour of militarism, indirect taxes, and the continuance of Paragraph 14.

As long as we are a minority in the nation, we cannot achieve power through a revolutionary onslaught and, if we did, we could not hold it. As long as we are a minority, we also cannot dominate and make decisions in parliament. The nation must first sense the effects of its choice for itself. It has to first be taught through our critique in parliament and our agitation outside of parliament about the impacts of its choice. Only in this way can we finally emerge from a minority to a majority.¹⁴ And we can only rule when we are a majority. The majority decides. The minority controls and agitates. The nation chooses

14 This is not the place to deal with the question of enhancing parliamentarianism through the use of direct popular votes (initiative and referendum). Comrades who believe that the referendum would accelerate social progress should look at the experience of Switzerland. The referendum there has often been a weapon used by reactionaries. In England, the conservatives are now demanding the referendum, while bourgeois radicals and the Labour Party reject it. The conservatives recommend it as 'a mechanism, which slows social change' (Dicey, *Law and Opinion in England*, p. 61). In Austria the weight of the clerical and peasant votes would weigh more heavily in a referendum than in parliament, because the arrangement of our electoral districts favours industrial areas over rural ones and the cities over the villages. By the way, the introduction of the referendum here is unthinkable for national reasons. On the whole problem see Kautsky, *Parlamentarismus und Demokratie*, Stuttgart, 1911.

between a majority and a minority by means of new elections in which they allot a majority to one side or the other – that is the democratic mechanism throughout the world. Only in Austria is this mechanism disturbed through obstruction. The minority does not allow the majority to make decisions according to its discretion. Obstruction injures not only the right of the majority in parliament, but also the right of the majority of the people who elected the parliamentary majority.

As soon as obstruction sets in, parliament can no longer govern. As in every association, at any parliamentary meeting only the majority can make decisions. If obstruction hinders the majority in that regard, then the parliament is no longer capable of decision-making. Therefore the bureaucracy seizes the power for itself. Whether this occurs with or without reference to Paragraph 14 is not important. Comrade Diamand rightly points out that the government itself sometimes incites obstruction and prevents the parliament from overcoming it. But the government's behaviour cannot be attributed to stupidity or the poor quality or complacency of its ministers, but rather it stems from the class interests of the bureaucracy.

The bureaucracy ruled Austria until 1867. At the cost of a revolution and two wars, the nation paid for parliamentary limits on bureaucratic power. In a fifteen-year struggle and at great cost parliament was democratised. The establishment of a democratic parliament was not a requirement of the bureaucracy; it was rather a reduction of its power by the people. When via obstruction the parliament now shuts itself down, it might cause the bureaucracy some difficulties in some circumstances; but in the long run the bureaucracy welcomes such a development. A parliament capable of work would substantially limit bureaucratic power; the shutting down of parliament through obstruction places all the power in its hands. Obstruction is not a means of combatting the government. On the contrary, it abandons the rights of popular representation, and thereby [the right] of the nation to the government. It is not, as Schab believes, a 'primitive revolutionary weapon', but the pace-setter of the bureaucratic reaction. When we take the proposals for obstruction that have been made in this discussion one at a time, we will easily recognise this.

Comrade Schab's proposal to use obstruction to get 'radical help against usurious rents' is the least well-considered one. It is exactly in the area of housing reform that the parliament has not failed. It has created a series of very useful housing reforms, [such as] the law on housing assistance funds and the two amendments to it on the reduction of interest on home loans for new construction and on the right to build. Why have these laws not had much impact? Because meanwhile an international credit crisis has set in. Additionally, the best legislation cannot make it possible to build small

apartments if the interest on building credit rises to eighteen percent and mortgages are hard to come by as a result of the chaos on the mortgage bond market. As long as the credit crisis continues, there are no effective means against the rising cost of housing. When it ends, it will be the local communities, not the state, which will bear the most important responsibilities in this sphere. Indeed, it might be popular to call for ‘radical help against usurious rents’. But a more scrupulous writer would have asked himself which measures would he really demand and whether these fall within the purview of national legislation at all.

Compared with the proposal of Comrade Schab, Comrade Lindner’s call to force the annulment of Paragraph 14 through obstruction at least has the merit of suggesting a concrete goal that falls within the competence of the Reichsrat. Only it is too bad that the means he favours are so poorly suited to achieve the goal. When we obstruct, then the government will not abolish Paragraph 14, but will use it.

More serious and therefore more dangerous is the recommendation brought forward by Comrade Julius Deutsch in a conference of the Meidlinger District organisation.¹⁵ He desires that our representatives obstruct the military reform until social insurance is protected.

Some years ago the National-Social Pastor Naumann had advised our imperial German comrades to approve the military budget if that was the price of democratic reforms.* A well-known revisionist, comrade Wolfgang Heine, took Naumann’s advice. But his slogan *cannons for peoples’ rights* was rejected by all of German Social Democracy. I believe that we in Austria are the least inclined to vote in favour of a similar slogan: more army recruits for old age insurance.

There are only two possibilities. Either we are fundamental opponents of obstructionism, in which case we would have to limit ourselves to simple opposition to the military reform, just like our comrades in Germany and in France against the most recent military reform efforts, or we regard obstructionism as a permissible and effective tool, in which case we would attempt to block the military reform through obstruction and we would not drop the latter for the price of social insurance.

But can we use obstruction to block the military reform? The House of Representatives only has to make a decision about increasing the number

¹⁵ Report of the *Arbeiter-Zeitung* on 12 October 1913.

* Bauer is referring here to Pastor Friedrich Naumann (1860–1919), a middle-class liberal German politician and founder of the National-Social Association. Naumann advocated social and political reforms from a protestant Christian, middle-class, and nationalist perspective.

of recruits; the other elements of the reform fall under the competence of the delegations,¹⁶ in which obstruction offers the few Social Democrats little prospect of success. What does it mean to increase the level of recruits? It means that 32,000 men, who according to current law only have to serve for six weeks as replacement reservists, will now be retained to serve for two years. When we attempt to obstruct the passage of the military law, will the government send the 32,000 men home after their six weeks of training? No. It will retain them for two years based on royal orders regarding extraordinary service (Paragraph 43 of the Army Law). The 32,000 men will serve two years as infantrymen not by reason of a law, but rather by reason of a royal command to replacement reservists. The difference here is only apparent to lawyers.

Naturally, it would be different if the majority of the delegates were determined to forestall the extension of the reservists' term of service. It would then reject the military law. If nevertheless the government still retained the reservists, then it would place itself in open antagonism to a parliamentary decision. The majority of parliament would then have to respond to this assault on its rights by rejecting the budget and the expansion of the total number of recruits. It would come to an open constitutional conflict, in which the majority of the people would stand behind the majority in parliament. A determined and courageous majority could not succumb in such a conflict.

If, however, the majority supports the military law and the minority hinders its passage, then the government can dare to use royal authority to hold onto the reservists. The majority will not reject the budget and bring about a constitutional conflict in response to a measure that it supports.

Therefore, the minority's obstruction would not hinder the extension of the reservists' term of service at all. It changes only the form of the law in which the policy is clothed. In place of Paragraph 14 of the State Constitution steps Paragraph 43 of the Military Law. That is actually not at all surprising. There are historical examples of governments which, resting on military power, have carried out the expansion of the army against the will of the majority; but there are no examples of militarism ever drawing back before a parliamentary minority, which represents a minority of the people. Militarism's real means of power are still much more effective than the paper means, which are provided to the minority by the assembly's order of business.

16 The delegations were parliamentary commissions of sixty members each formed after the Austro-Hungarian Compromise of 1867. After 1868 they met in alternating years in Vienna and Budapest. They discussed and made decisions on joint (k. u. k.) affairs.

Therefore, against militarism there is also only one method of opposition: to speak against it, to vote against it, and, as often as the budget is nevertheless approved, to take the agitation to the people, so that the voters gradually detach themselves from the militarist parties and finally elect a parliament whose majority will no longer agree to militarism's demands. This is the way Social Democracy fights militarism around the world. It is no different in Austria.

For all that, I will concede that the government sometimes makes concessions to an obstructive minority instead of taking the decision itself. However, even in such cases obstruction can be dangerous. The proletariat in capitalist society always has reason to be dissatisfied. It always has demands to place before the government and state proposals to fight against. If obstruction succeeds once as an effective tool, then the proletariat will demand that its delegates repeatedly use it: today in order to block a government proposal, tomorrow to carry out a demand of the working class. Because if obstruction is regarded as a permissible and effective means of struggle, then the simple opposition of speeches and votes will be viewed as an ineffective appearance of struggle, with which the working class cannot be satisfied. If a Social Democratic faction succeeds once in a struggle using obstruction, then it will be unavoidably pressured to do it again and to continue the tactic. Perhaps even comrade Schab will see that a long-term and repeated policy of obstruction can lead in the end to nothing other than the complete shutting down of parliament and the limitless absolutism of the bureaucracy.

For these reasons, we are principled opponents of obstructionism. Only under very special conditions, only in very exceptional cases, do we think that obstruction is a permissible means of struggle. We want to try and enumerate these special cases. We think it is our duty to leave decision-making to the parliamentary majority, because it represents the majority of the people. Therefore, it follows that obstruction is permissible when the parliamentary majority is not the representative of the popular majority. This is the case:

1. In corporations which are established on the basis of electoral privilege, for example in the old curial parliament (November-Obstruction, 1897), in the Styrian Assembly, and in the Graz Community Council. We do not wish to preserve such corporations but to destroy them.
2. If an undemocratically constituted electoral district would allow only a parliamentary minority to emerge from the majority of the people. This reason might force our comrades in the German Reichstag to employ obstruction.
3. If since the last election a change in the attitudes of the electorate has occurred, the parliamentary majority has lost its majority in the elect-

orate, and new elections will lead a new majority to power. In this case obstruction will serve as a means to force new elections. Comrade Rodler had pointed to this case and rightly. Recent elections show, [however], that today in Austria these prerequisites are not available and that the popular majority still stands behind the bourgeois parliamentary majority elected in 1911.

In democracy, however, not only the majority but also the minority has its special function. The minority has the function of exercising critique and control inside and outside of parliament. Obstruction is also permitted if a majority attempts to hinder the minority in exercising these functions:

1. If the majority, through a breach in the order of business, annuls the rights of the minority to exercise criticism and control. That is why the Social Democrats defended themselves with violence against the *Lex Falkenhayn* in November of 1897.
2. If the majority attempts to abolish freedom of the press, association, and assembly or if it passes reactionary laws to prevent the minority from agitating among the masses.¹⁷

Thus, in these cases obstruction is not a blow against democracy, but on the contrary it is a weapon to save democracy. But there is a case in which Social Democracy must also dare to use obstruction even if the popular majority stands behind the parliamentary majority and the right of the minority to criticism and agitation is not endangered. This case occurs if a right of the working class is threatened which is even more important and more indispensable to it than democracy: when the right to form coalitions is attacked. Certainly, in this case one must risk obstruction.

However, in all these exceptional cases in which obstruction, in our opinion, is permissible, nothing happens through obstruction alone. Because here, too, the danger exists that obstruction does not hinder the law against which it is aimed, and that this law will be put into practice by the bureaucracy after the dismissal of a paralysed parliament. Obstruction in these cases can only have one aim if the proletariat is determined and that is to use all means not only to block the elimination of parliament but also the absolutist use of law. For

¹⁷ Julius Graf Falkenhayn (1829–99) was Governor (Landeshauptmann) of Upper Austria and Minister of Agriculture from 1879–95. The founder and leader of the clerical faction in parliament, in 1897 he proposed a change in the parliamentary rules of order to suppress the anti-feudal opposition.

example, if a draft law for the abolition of the right of association is proposed, then we would have to not only block it in parliament, but we would also have to fight every non-parliamentary attempt to implement the law via a Paragraph 14 decree or, *via facti*, through a change in administrative practice.

Obstruction only makes sense, then, if the will to revolution stands behind it. That a revolution, however, can only occur under certain objective and psychological conditions, and that one cannot *make* a revolution, in the very least on a daily basis, Deutsch, Rodler, and Schab also will not dispute.

The Social Democratic representatives can naturally make use of all the tricks of parliamentary business. They can, if it promises any kind of success, delay the passage of bills. They have done this often and sometimes won small victories through this method. But real obstruction, the blockage of the passage of a draft law using all means at any price in a parliament based on universal suffrage, cannot be a normal means of struggle for Social Democracy. As in all parliaments in which Social Democrats sit, only opposition, not obstruction, can be Social Democracy's tactic in the Austrian parliament. Only in very special exceptional cases can obstruction be our means of struggle.

But it is still not unthinkable that, against its will, Social Democracy will be forced to make use of the weapon of obstruction. Hitherto, the bourgeois parties had used obstruction only as a weapon in national struggles. But obstruction is an infectious disease. The bourgeois parties also demonstrate the desire to use it in class struggle. Today we already see that the bourgeois parties do not vote against some labour protection laws and social insurance, but rather use quiet obstruction to prevent such laws from being debated in parliament. Under such conditions our delegates could finally be forced to retaliate. If the representatives of the possessing classes begin to use obstruction as a weapon in class struggle, it could lead to a situation in which the representatives of the working class have no other choice but to do the same. Obstruction would then become a weapon of class struggle for all classes, as it already is a weapon in the national struggle of all the nationalities. Where this will lead is difficult for one to imagine. If the agrarians obstruct trade agreements, then the Social Democrats block protective tariffs. If the representatives of capital obstruct laws to protect workers, then the Social Democrats can resort to obstruction to push them through. Obstruction becomes a weapon of all classes. Parliament, already severely endangered by nationalist obstructionism, is being completely destroyed by social obstruction. There remains then only one choice: either a reversion to naked absolutism or a reform of the assembly's rules for doing business, one that excludes any possibility of obstruction. The first Social Democratic obstruction in parliament [based on] universal suffrage probably would be the beginning of the end of obstruction in general.

A reform of the rules, which would liberate parliament from obstructionism, would bring us some advantages. It would massively improve the educational impact of parliamentarianism on the popular masses. But it would not have the impact desired by our *radicals*. Liberated from the fear of obstruction, the majority would dominate more completely than today. It would be much harder to achieve *positive successes* than previously.

In closing we can summarise as follows: Under very special circumstances obstruction can be an effective means of defence. It is not a normal instrument of class struggle. If, however, we are forced to use it, then it will lead either to the total destruction of parliament or to a reform of the assembly's rules of order that makes obstruction impossible. It will lead either to naked bureaucratic absolutism or to the complete domination of the bourgeoisie. Under no circumstances is obstruction a means of achieving a series of *positive successes* for the proletariat.

The excessive hopes that the working class had derived from the great victories between 1904 and 1907 have become a most serious danger for the party. The mass still believes that it can do anything if it only has the will. It still believes that it could achieve the most glorious victories if only the party and unions moved forward more courageously, more ruthlessly, and with more daring. The dissatisfaction of the disappointed is then directed against us rather than at the guilty, against our delegates instead of against our opponents, against Social Democracy instead of against capitalism.

We must liberate the mass from this un-socialist way of thinking. We cannot do that in one blow. It requires years of educational work. But this work must be done. We must lead the masses back to the old teaching of socialism, to the lesson that tells us that achieving positive successes under capitalism is difficult, rare, and insufficient. The working class cannot work its way upward gradually and peacefully, but can only liberate itself in the storms of social revolution. Recognising this might discourage someone who does not believe in social revolution and to whom such an event will come in future centuries. The mass is not discouraged; its confidence in victory will become all the stronger when we teach it to understand that we now stand in the midst of social revolution.

What is the social revolution? It is not one day on the barricades. It is not a weeklong mass strike. We will recognise how the social revolution of the working class will be carried out when we remember how the bourgeois social revolution took place. The social revolution of the bourgeoisie began with the French Revolution of 1789. A period of bloody national wars and violent class struggle followed, a time in which old states collapsed, new states arose, and all countries saw their constitutions transformed. This period of great

storms lasted until 1871. It resulted in the collapse of absolutism, the founding of parliamentary regimes in all countries, the dethroning of the nobility, the domination of the bourgeoisie, and the abolition of peasant serfdom in Europe and of black slavery in America.

The social revolution of the proletariat will occur similarly. It, too, is unfolding at a time of massive national wars and bloody class struggles, at a time in which old states disappear, new ones are founded, and the state constitutions of all countries are being transformed. The results will be full democracy, the dethroning of the bourgeoisie, the dictatorship of proletariat, and the socialisation of the means of production. This period of social revolution has already begun. Since the middle of the nineties, the process of worldwide industrialisation has occurred much more rapidly than earlier. Through the domination of finance capital over industry, through the formation of cartels and trusts, through the development of capitalist associations on the one side and trade unions on the other, and finally through the spread of inflation through the entire world economy, class antagonisms are intensifying. England, once praised as the classical land of social peace, trembles today in the face of the most violent class struggles.

At the same time, capitalism, whose empire only recently included just a small part of the inhabited world, is transforming the Orient. A revolutionising of ideology is occurring throughout the Orient that is similar in its origin and essence to the one experienced in Europe at the time of the reformation. The transformations in the Orient will sharpen the antagonisms among the world powers, speed up the arms race, make the burden of taxes unbearable, and finally unleash bloody wars in whose wake shattered states will collapse. The first phase of this world historical process has already brought us a mighty step forward. Japan's transformation into a modern capitalist state led with iron necessity to conflict with Russia, the war in Manchuria to the Russian Revolution, and the revolution in Russia to victory in the struggle for the franchise in Austria. Thus, every new phase of the world historical process of development will open the way for us to a new bold advance.

History is made with blood and iron. Parliaments only have to register what has changed in the power relations of classes. The Austrian parliament rejected universal suffrage in 1904. After the slaughter in Manchuria and following the street battles in Russia and Poland, it made universal suffrage legal in Austria. Today it once again denies us what we want. Tomorrow, when a storm again sweeps into our land from East or West, it will again bend to our will. At the same time, however, we draw new strength from the struggles in parliament. In the years of great European storms all parliaments demand new sacrifices for militarism by levying ever higher taxes on the people. Social Democracy

will not be able to prevent that either here or in other countries. But our struggle against these burdens, which worsen from year to year, will always tear away new masses from the adherents of the bourgeoisie and lead them into our camp. Thus, under the pressure of great events and in a process lasting a decade, we will grow from a minority into a majority and move from powerlessness to power.

That is the social revolution. Whoever misleads the working class that poverty can be swept away with parliamentary tricks is lying to it. Its disappointment will come back to haunt him tomorrow. We want and have to tell the working class the truth: that it does not require only courage and hard work to accomplish great things; that the success of our efforts depends on the things around us; that only the great hour gives birth to the great action. And the working class will not be demoralised by that if we at the same time teach it to see the new world as it develops and draws near to that great moment.

Social democracy everywhere must educate the working class to believe in the transformative power of development and in the great epoch of social revolution. But in Austria we need this belief even more than elsewhere. Abroad it might seem that the task of the working class is only to seize the state machine, a process that one can also imagine occurring peacefully. On our soil, however, there is practically no usable state machine that we can take over. The unnatural state structure of the kingdoms and states represented in the two houses of parliament will never be a democratic and socialist commonwealth. Just as dozens of states disappeared and new empires emerged in the storms of the bourgeois revolution, in tomorrow's storms this state structure will give way to higher forms. It does not discourage us to see this state sink ever deeper into confusion from which there is no escape. On the contrary: the collapse of the empire, the chaotic confusion in both kingdoms, the hopeless decline of the federal states, the wild struggle of the nationalities, all this is to us only a beacon, which proclaims that we are already near the hour in which, under the unrelenting pressure of world historical events, it will be decided whether this empire can reconstruct itself as a federation of free peoples or whether it must go up in flames and we become citizens of a great German commonwealth stretching as far as one can hear the German language.

The basic question of our tactic is not how we liberate ourselves from Paragraph 14. Perhaps it will exist as long as the state stands. Our greatest problem is not whether we should obstruct. Our obstruction soon would lead to obstructionism *ad absurdum*. How we liberate the masses from the superstition of the all-powerful parliament; how we detach them from narrow minded 'noth-

ing other than reformism'; how we teach them to believe again in historical development and in social revolution, in a word, in socialism: that is the basic question of our tactics.

Otto Bauer, 'Die Grundfrage unsere Taktik' (1913), *Werkausgabe*, 8, 805–28.

Rudolf Hilferding

Parliamentarianism and the Mass Strike (1904)

I

Ever since the great debate over Social Democratic tactics at the Amsterdam Congress [1904], Jaurès's question to German Social Democrats asking why their big party exercises so little influence on their country's government has been raised repeatedly.* And here, in fact, lies the real problem upon which the tactical differences both within the International and in the national parties are based.

The question itself arises necessarily from the nature of parliamentarianism, which appears to make the number of a party's supporters into an expression of its political power. Seen from the standpoint of parliamentarianism, it is a contradiction when an increase in the number of votes is not paralleled by an increase in power. That this obviously is not the case in Germany appears to be due to a mistaken tactic, which does not grasp [how] to take advantage of its power, because it shies away from responsibility, or it appears as a weakness in the German parliamentary system, which is not fully developed. A bit more parliamentarianism and Social Democracy's influence would take its rightful place.

Each of these approaches relies upon a foreign example, such as that of France, where pure parliamentarianism would give Social Democracy great influence, or that of Austria, where, indeed, parliamentarianism remains equally underdeveloped, but [where] a skilful tactic has won substantial room for manoeuvre for Social Democracy and gives its policies a certain influence on the government's decisions not possessed by the larger party in more developed Germany.

The usual conclusion drawn is that the party's lack of influence stems from an unrealistic tactic on the one side and the underdevelopment of German parliamentarianism on the other. The tactic must, therefore, be changed by means of focusing all efforts on the strengthening and expansion of parliamentarian-

* Jean Jaurès (1859–1914) was one of the foremost intellectual and political figures of pre-1914 French Socialism. A leader of the French Socialist Party, he helped engineer its merger with Jules Guesde's more radical Socialist Party of France in 1904 to form the French Section of the International (SFIO). Historian, journalist, and legislator, he generally favoured socialist participation in coalitions with bourgeois parties, though the SFIO, which he and Guesde led, refrained from doing so.

ism and, in order to achieve that goal, by stressing immediate democratic and social demands more sharply. This is made all the easier since socialism, which will be brought forth anyway through 'economic development', is a transformation of the distant and indeterminate future.

It seems to us that this conception relies on an all too schematic understanding of the parliamentary instrument. It overstates the simple number of votes as an expression of political power, and overlooks how the numbers mean as little as the names of the parties in themselves, as well as how the changing reciprocal position of the parties changes the political weight of their numbers.

One usually views parliamentarianism as an escape valve (*Sicherheitsventil*): where parliamentarianism is well enough developed, it would allow the open and numerically proportional expression of the antagonisms existing among the people and it would allow thereby an exact estimate of their strength. Understanding the power relations of the parties would save [us] from any further test in a violent struggle. Peaceful development would replace a violent one, which would make possible the replacement of one dominant party by another without great upheaval.

However, this view of the parliamentary system does not adequately consider that this system functions completely differently, and must do so, in accordance with the character of the antagonisms that are expressed within the parliament. It underestimates [the fact] that it depends on the size of these antagonisms whether parliament is able at one moment to be an effective instrument for overcoming them, or that it fails at the next [moment] when the extent of the antagonism forces the parties to test their strength and to assert their real power in claiming their positions. For the parliamentary system in no way directly expresses the parties' actual power. An election only initially reveals the number of the parties' supporters and even here only in approximate ways, because voting for a party does not mean identifying with all its goals. And, again, these numbers themselves do not express commensurable power factors. This is because the comparison of power relations essentially can only be about the various means of power. Here the question of the organisation of the means of power and the disposition over these organisations plays the greatest role. In modern conditions, every power struggle is a struggle of organisations, whose strength cannot really be determined by the simple number of members. In itself, control over an organisation is a fully indeterminate element about which electoral results say little. This is the case when the antagonism between the parties also reveals a possible antagonism within the organisation itself, such as a conflict between the leaders of the organisation and its members, as, for example, within a military organisation. In such a case, it is a matter of speculation how much the power of the organisation's leader-

ship will be respected. Thus parliamentarianism provides no absolute certainty concerning the power relations of the parties and, when it comes to big issues, it has just as little significance as an international arbitration court in avoiding war.

If, nevertheless, many adherents of all parties still view parliamentarianism as a means of settling social conflicts in a peaceful way, it is because normal parliamentary procedures appear to show the correctness of this outlook. But perhaps an analysis of these procedures, which in any case in this essay can only be short and to some extent schematic, will make it possible to justify another point of view.

II

There are essentially two roads down which the parliamentary majority can go in order to remain a majority. In order to 'take the wind out of the sails' of the minority, it can initially attempt to fulfil, to a greater or lesser degree, those demands of the minority that are most attractive. This tactic is easiest when the minority's demands in principle are not much different from those of the majority, when their fulfillment only modifies the domination of the majority, and when hitherto hostile circles are won over to the majority or the latter can at least avoid the loss of previous supporters. Through these concessions, the majority hopes to make the minority's status permanent or at least postpone its becoming the majority for as long as possible. If, however, the antagonism between the majority and the minority is of a principled nature, then this policy remains a possibility, but it takes on a different character. It becomes demagogical. By making concessions on matters of lesser importance, the majority hopes [to convince] the minority's followers to reconcile with its domination, to retain the loyalty of the indifferent and of social groups who followed it earlier, and to make it impossible for the minority to achieve demands that were in principle at odds with those of the majority.

In a more serious case, when the minority is actually the representative of stronger, but in principle similar, interests as those of the majority, such as when we are dealing with the struggle of two groups within the same class, then the minority may see its demands gradually realised, when it is an issue of secondary importance even if politicians who implement it don't see it that way.

However, it is a completely different matter when it concerns differences of principle and a struggle of two classes. Then the majority will soon be done with its concessions, the measure of which is limited by class interest. It will see that further concessions no longer strengthen its position but rather that of its opponent; its tactic changes, it becomes intransigent and aims to

discredit the minority with the voters by proving that nothing can be achieved via its representatives and that their unrealistic and utopian policies only frighten the majority away from any agreement. If the minority appeared influential in earlier cases, in which it forced its opponents to give in and could demonstrate successes, it now appears helpless and without influence, while its enemies make more than ruthless use of the means of power. However, because the growth of parties depends only secondarily upon the behaviour and momentary achievements of their opponents and to a much larger degree [rests] on the strength of the interests that the parties represent, the party can grow substantially while its success at realising immediate and direct influence shrinks.

The minority itself will orient its tactics depending on the clarity with which it perceives its antagonism to the majority. The majority's shift toward intransigence, which makes minority successes difficult, awakens in the latter an effort to diminish the primary antagonism and to win majority support for new concessions by returning to their most easily realisable demands and easing the sharpness of the struggle.

It is possible at this stage for the majority to make broad concessions – just as the English bourgeoisie was in a position to do as it satisfied the material demands of the working class by exploiting its colonies and dominating the world market – if the principle antagonism [between the majority and minority] is not so deep that it appears to cast doubt on the success of this process. Then a more or less long-lasting compromise might bring the parliamentary struggle to a peaceful close until new struggles again emerge.

If no concessions are made because the antagonisms would be too clearly recognised and felt by the ruling party or the opposition, or because the sacrifice appears to the ruling group to be too great in the face of uncertain success, then the tactical differences within the minority will end with the victory of the principled over the opportunistic current and with both sections becoming more conscious of the full sharpness of the antagonisms between the two parties.

The parliamentary system becomes more complicated when more than two parties are present and especially when, favoured by party splits, a government is in place that is more or less independent of parliament. This [government] can only assert its relatively independent position if no party is dominant. Here, from the outset, the government will be inclined to compromise with various parties to achieve different goals; to procure concessions first from one and then from the other, whether it is to avoid discrediting and thereby weakening any party too completely in the eyes of the voters or whether, by contrast, to prevent the voters from supporting a party that threatens its power

by implementing some [of its] demands. Likewise, the parties themselves, which cannot rule alone, are inclined toward making reciprocal compromises and concessions, which diminish and ease contradictions between them. No party has the power to rule by itself, but none is without influence.

As long as the proletariat is still weak and not yet conscious of its aims, it serves the parliamentary bourgeois parties as the battering ram for their own demands. It becomes the means for the political ends of other parties or of governments pursuing caesarist policies. In exchange, the proletariat gets concessions for its adherents. The length of time that the proletariat will remain in this dependent position depends on the size [of these concessions] on the one hand, and the configuration of economic and political development on the other. The absence of fundamental contradictions within the parliamentary order allows the bourgeoisie to expand parliament, to secure its dominance, and to make the government fully dependent upon it. *The proletariat's political weakness is the strength of bourgeois parliamentarianism*, because otherwise the bourgeoisie would face the danger of a self-conscious proletariat transforming the democratically elected parliament from a means of bourgeois domination into a means of proletarian power.

It is different when the proletariat constitutes itself as an independent party and organises itself under the banner of its ultimate goals. The sharp antagonism to all bourgeois parties, which, during the first phase of the proletarian struggle, were perceived as one reactionary mass, is felt with acute clarity. The proletarian party itself ensures this sentiment, as it must formulate its new principle with complete clarity and ruthlessness in order to separate the workers from the adherents of the bourgeois parties. No wonder this antagonism unleashed a politics of persecution and oppression from the side of the ruling classes, which saw their way of life negated by a small band of 'instigators and agitators'. They hoped to silence them through imprisonment. The party was small, oppressed, and absolutely without influence.*

Having emerged from the proletariat's conditions of life, however, the party's progress could not be stopped by persecution. Its growth became a threat for

* Here Hilferding refers to the anti-Socialist Laws that the German Chancellor, Bismarck, pushed through the Reichstag in 1878. These remained in force, with some minor alterations, until 1890. They outlawed most of the activities of the Social Democratic Party, its press, and its allied trade unions. Party leaders were frequently arrested, driven underground, or forced into exile. Paradoxically, the legislation continued to allow the SPD to field candidates for the Reichstag elections. The growing strength of the party's electorate after the mid-1880s illustrated the failure of the laws to accomplish their aim of destroying the socialist movement.

the other parties, which became concerned about their own following. The bourgeois parties in the majority [then] begin their tactic of making concessions in order to 'take the wind out of the sails' of Social Democracy. In doing so the various parties split up. The 'reactionary mass', driven according to the various interests represented within the different parties, loses its unity in the competition for workers' votes.

Thus begins the 'era of social reform'. This effort in Germany (and even in Austria) is from the outset certain to fail. The young German bourgeoisie, which has just achieved power, has no world empire from which it can draw to pay for concessions to the proletariat. The proletariat has more than paid for the negligible insurance laws via the burden of the new protective tariffs. Even in the face of a confused and fundamentally unschooled proletariat this policy was doomed. At the same time, and this had to completely reveal the demagogic character of this policy even to the most dense, social reform in Germany, as in Austria, goes hand in hand with the exceptional laws against Social Democracy. The aim of this whole policy was to grant concessions as a means of reconciling the proletariat with bourgeois domination; it was not meant to strengthen the proletariat's political power and room for manoeuvre. And it appeared to convincingly show the proletariat that it had received these gains not because of Social Democracy, but in spite of it. Thus the policy of concessions, like that of oppression, ended in the same degree in bankruptcy and thus closed the second phase of the struggle between the two classes.

Up until now German and Austrian development has been the same. In France the defeat of the Commune had liberated the bourgeoisie from its fear of the proletariat; a republic was founded that initially did not need to pay much attention to a proletariat that, divided and disheartened, recovered only slowly from its defeat and skeptically kept its distance from political engagement.

But over the last few years, things have come to look rather different. In Austria and France Social Democracy is gradually growing; at the same time, its political influence is getting stronger, perhaps to an even larger degree than its growth. In Germany, where the party's expansion is moving ahead most quickly, its influence seems insignificant, indeed [it seems] to shrink steadily with this growth. There seems to be a contradiction here, but it is only the necessary result of different economic relations that condition the various policies of the ruling classes. It is, again, the politics of the ruling classes and not the various tactics of Social Democracy that condition the differences in their levels of influence.

Economic development is most advanced in Germany; here the concentration of capital on the one side and the growth of large proletarian masses on the other have reached the point that the technical and organisational precon-

ditions for a socialist society are well established. Socialism itself is now on the agenda, not just individual proletarian demands on the existing society. Of course that does not hinder, but makes all the more pressing, a whole series of prerequisites to be realised through the fulfillment of proletarian demands. However, whatever our standpoint in the past, that these demands on the existing state do not represent a means of reconciliation, but rather mark a revolutionising and strengthening of the proletariat, is something also recognised by our opponents, whose resistance grows with the fear that behind every proletarian demand the whole 'state of the future' (*Zukunftstaat*) lies in wait – and rightly.

Economic development has brought with it far reaching transformations within the bourgeois class. Above all, the population has become increasingly urban-industrial and the agricultural part has become a steadily shrinking minority. The urban population itself has experienced a complete restructuring. The old middle class is thoroughly changed. The independent craftsman with his clearly established class interests has lost his dominant position. The 'new middle class', a misleading term, is no longer united either economically or politically, but is rather a mass of more or less suffering craftsmen, small capitalists, foremen, managers, employees, officials, retirees, and intellectuals of all types. Its basis is steadily revolutionised by capitalist development, its makeup varies continually, and the existence of its members is never fully secure. The social and political interests within these groups are often completely different. This new middle class is, therefore, in contrast to the old, unable to form the basis of a large political party. Instead, its different elements form a recruitment pool for other parties, for whom they represent mostly unreliable supporters. But the other historical parties are also completely changed.

The sharp antagonism between the agrarians and industrialists no longer exists, their battles over trade policy have ended, and they are united behind the modern protective tariff policy for joint plunder. Ever since the system of share capital made possible greater agrarian participation in industrial concerns, the organisation of cartels has made the protective tariff desirable for the developed export industries as well. And this alliance is strengthened by their common interest in the power politics of the state, in militarism, navalism, and the policy of colonial expansion, which is exploited by both classes, though in different ways. It becomes indivisible as soon as the growth of Social Democracy appears to threaten its power.

The same economic development that increases the size of the proletariat and makes Social Democracy large has also reduced the difference[s] among the bourgeois parties, raised the 'reactionary mass' to a higher level, and thereby increased the bourgeoisie's unity and power to resist.

But the more Social Democracy grows, the more the other parties lose the remnants of the proletarian following that they had once had, then all the more do all those electoral considerations regarding the working class disappear and they let themselves be led by purely bourgeois class interests. Here, too, the growth of Social Democracy increases the unity of its opponents. Today only the [Catholic] Centre, which still has substantial proletarian masses among its following, continues to pursue a politics of demagogic concessions.

If economic development has advanced so far that the realisation of socialism now seems to be no more than simply a question of political power, then the tactic that attempts to buy off the proletarian with concessions is no longer possible. They appear to be too small and insignificant when measured against the possibility of sweeping away the class state and exploitation.

If [the concessions] seem too small to the proletariat, they seem too big to the ruling classes. This is because, in order to have some chance of success, the concessions have to be very considerable. They would have to be material concessions because political concessions would only strengthen the proletarian party's room for manoeuvre and freedom to agitate. Thus, these concessions would have to be very large and would substantially damage the interests of the ruling classes. At the same time, however, their success is uncertain, because the proletariat is already conscious of what is at stake and the danger only grows if the concessions just increase Social Democracy's strength. It is no wonder that the ruling classes don't want to reach an accord on this endeavour.

In this third stage of development, Social Democracy's immediate influence and direct successes are necessarily negligible. This is because the only hope remaining for the ruling classes is to use intimidation to prevent the indifferent masses from attaching themselves to Social Democracy. No concessions! Because every concession strengthens Social Democracy, makes it 'insolent', and strengthens the belief of its adherents that through it they can achieve something. Even in those places where the [bourgeoisie's] resistance is once weakened, one seeks to at least salvage the appearance that it is not Social Democracy, but the bourgeois parties or even the 'social monarchy', that has done something for the workers. If Social Democracy thus appears to be excluded from the making of successful policy, the signature of German politics is one of reaction and disempowerment, made sharper and all the more maddening, because it no longer dares to take on the form of the exceptional laws. If in an earlier phase of development [people] – in more or less good conscience – had differentiated between Social Democracy and the working class, today this pretence is scorned.

It is the bourgeoisie, it is *the ruling classes of Germany, which confirm the identification of Social Democracy and the working class*. The state no longer

[uses] exceptional laws, but aims as much as possible to exclude all workers from the franchise, [to exercise] the fury of class justice against all workers, whether they are politically or just economically active, and to persecute and limit all the expressions of the working-class way of life.

In contrast, the socialist parties in Austria and France occupy a wholly different position that is explained first of all by the social structure of these countries as well as the very different political relations that parallel them.

Here, slow industrial development changes the relationship between the urban and rural populations only gradually. The solid phalanx of the peasant population remains untouched by the social democratic movement and allows the latter to appear as relatively harmless. But here the urban petty bourgeoisie is also much more powerful and the craftsman remains dominant. It is economically and politically reactionary and, helped by the Austrian electoral system, it still has the power to form a party. The industrialists are not even sure [whether] they can assert their interests against the guild-oriented petty bourgeoisie, the peasants, or the agrarians and happily accept the support of the proletariat in some economic disputes that no longer play a role in Germany. Precisely because of its relatively small size and, above all, because the fear of its expansion is much less pronounced, Social Democracy's opponents and the government only pay attention to some of the party's immediate demands; those demands peculiar to the party that seem to be somewhat utopian are judged by the 'realist politicians' as not worth addressing or, as the more prudent put it, 'not yet'. *Only some immediate proletarian demands are at stake here, not socialism.* Therefore, Social Democracy appears as just one party among others with which one might cooperate depending on circumstances. The 'red danger' does its duty in electoral campaigns, but it is more a demagogical phrase than the real content of bourgeois politics. Certainly class antagonisms are perceived here and class struggle is fought out full bore, but, nevertheless, the antagonism is not nearly as sharp as that in Germany. Through individual concessions, one still tries to keep the indifferent workers in one's own camp; one tries to use the party as a counterweight to other parties. Also, the bourgeois ideological influence (Einschlag) is perhaps greater, because backward development threatens to bring reactionary and pre-modern classes to power, which bourgeois intellectual circles find repellent. This reaction is of a wholly different nature than the German one. The latter springs not from the domination of older and antiquated classes, but rather from the fear of proletarian domination. It is, therefore, directed against this alone and above all else, even if socially necessary hypocrisy permits the form of generally applicable laws rather than exceptional ones. So the reaction works with disenfranchisement, breach of contract, and similar measures while placing no importance on

the passage of a Lex Heinze.* Indeed, it is the essence of the reaction to become ever more reactionary and to want to make up for the failure of one measure by introducing an even more reactionary one. Once underway there is no stopping it and in the end it will resort to the means of the feudal and petty bourgeois reaction. Yet the reaction in Germany shows its different character in that it allows capitalism its freedom of movement, at least in all essential matters, while in Austria, for example, the petty-bourgeois, clerical, and guild oriented reaction is prepared to resign itself to the proletariat's freedom of movement. This old reaction is much too busy with its struggle against all modern developmental tendencies to find the time to unite with its enemies and throw itself upon the proletariat. Essentially, Social Democracy is more dangerous to its bourgeois opponents than to it.

Thus, the more backward social structure here has divided the society into many more parties and has, at the same time, weakened the position of the government. On important questions the German government increasingly has all the bourgeois parties behind it. Even if there might be an exceptional case, the bourgeois opposition no longer has any aggressive power and it is completely satisfied by the smallest concession. In contrast, in France, and also at times in Austria, the government can find itself up against a coalition of hostile parties to which it can easily succumb.

Along with these differences, which arise immediately from the differences in social structure, come others of an historical and political nature, which can only be hinted at here. In Austria, it is the franchise which allows the expansion of Social Democracy to appear even less dangerous, as well as the delegation's exclusion from the military question and foreign policy. In France, it is the split in the proletariat which allows the bourgeoisie the hope of winning over parts of the proletariat and hinders the party from opposing the bourgeoisie with full force precisely where its interests are most impacted, such as trade and foreign policy, militarism, and colonial policy.

But it is primarily the social structure that is decisive, which in one case allows the growth of Social Democracy to be perceived as an increasingly strong threat to bourgeois society and in another to be seen merely as a nuisance that has to be considered. It also explains to a large degree the contrast in ruling class policy in North and South Germany. [In the latter] a strong

* The Lex Heinze was a law passed in 1900 outlawing pimping and sharpening the censorship of 'immoral' works of art, literature, and theatre. The name stemmed from a pimp named Gotthilf Heinze, who had been convicted in 1887 for causing 'bodily harm leading to death' and became associated with 'immorality' in the broadest sense. After intense protest by Social Democrats and Liberals, the Reichstag eventually watered down the law's provisions.

peasantry and – as a result of insignificant and slow industrial development – a relatively weak proletariat makes the reform of the franchise possible without endangering [the system], thus making it appear that this weaker proletariat has more influence there than the stronger proletariat in Prussia, Sachsen, or in the Hanseatic cities.

Thus, at first glance it seems an astounding fact that Social Democracy's [situation], ever more powerful among the masses but increasingly powerless in directly influencing politics, necessarily springs from the development of social relations. The stronger the party's social position, the weaker its position in the state. It is the unfolding of this antagonism between the state and the society that appears with full clarity in the Russian Revolution. In Russian political terminology the state and society are placed as antagonistic concepts opposite one another.

Consequently, Social Democracy's lack of parliamentary influence is not the result of a poor tactic; it is, rather, a necessary product of historical development, which must bring the antagonism in bourgeois society to full flower before it can be overcome.

In its essentials, Social Democracy's tactic is naturally influenced by the behaviour of its opponents. Only in that phase in which the party is only modestly developed – but has put its early difficulties behind it – will it come to divergences that can split the party. For only then does the purely reformist current within the party have the chance, if it can point to immediate successes and concessions from the opposition, to claim these for its own tactic. At its core the reformist tactic sets aside the most essential and lasting class interests of the proletariat to the benefit of momentary and less important ones. This tactic collapses of its own accord at that moment when any concession from the side of the ruling classes can no longer be made because the principle antagonism is now so clear that no more concessions can reconcile them. If no split or even far-reaching differences emerged in Germany during the second phase, it was due to the lack of political rights granted to the party. Similarly, the lack of the equal franchise hindered a greater divergence of views in Austria. In France or Italy, however, it is the 'influence' of the party that for a time has become a danger for the maintenance of its class character.

III

Thus, it is no wonder that Germany's practical 'revisionism' cannot achieve any direct success within the party. It arrived too late for that. The anti-Socialist legislation hindered its emergence at that time and, after it expired, development was too far advanced for revisionism's efforts to find support among the ruling classes, without which it cannot exist. But revisionism today has only

been overcome in its first and most primitive form; it still is effective in the debate on parliamentarianism. We have seen that revisionism always needs concessions, which it cannot get. It discerns the cause, however, not through an analysis of economic development, but rather on the surface level of politics. Because socialism in France was able to achieve significant influence at the same time as the reaction in Germany, [revisionism] searches for German 'backwardness' in the lack of a suitably developed parliamentarianism. It does not see that the weakness of the bourgeois parliament is again only the result of the strength of the proletariat. If the danger exists that the proletariat can take control of parliament, then it is in the interest of the dominant classes to strip that parliament as quickly as possible of all power. The more powerless the parliament is, then the more negligible the intensity of political life and the greater the number of those who do not pay attention to politics, or at least parliamentary politics, and elections. Therefore, all the greater is the prospect of being able one day to wield power outside of parliament and, under given conditions, against the parliament. For this reason the dominant classes in Germany are consciously working to shut down parliament as much as they can. They seek other ways to make their power effective, whether it is through direct influence over government authority using the help of personal connections or whether it is through the pressure they can bring to bear by means of their economic associations. Wherever possible they seek to reduce the power of the democratically elected parliament by expanding the power of the state assemblies, where they find only people like themselves. The Prussian Landtag is influential with the government because it has no proletarian representation; the German Reichstag has no influence because of its Social Democratic faction. Revisionism only wants to cure the symptoms when it demands more parliamentarianism and thereby puts forward a simple demand for democracy. It overlooks, or does not see clearly enough, that behind this demand in Germany stands the decision concerning the political power of two [contending] classes. This places the issue of the whole social order on the agenda. In this parliamentary powerlessness, however, lies the reason for a notable delusion which makes the function of parliament as an escape valve ever more problematic. Because Social Democracy does not represent a directly decisive force in parliament, the tendency develops among those minds that think only in parliamentary terms to believe that in the real world Social Democracy is a negligible quantity with which to deal. The desires of the firebrands are supported by the conceit, emerging from parliamentary appearances, that the defeat of Social Democracy is possible without all too much danger. The firebrands' moment has come.

Social Democracy, on the other hand, initially nonplussed by its lack of parliamentary power, is thinking about its real power, which it is ready to use

when it has no other choice. In Germany, despite universal suffrage, the idea of the political mass strike – which originated in Belgium and Austria only as a means of winning the franchise – has become a hot topic. This difference, however, is at the same time a difference in the various functions that the mass strike can fulfill. For in the less developed countries, in which the proletariat will remain a minority for some time, democratic issues are issues within bourgeois society, they only modify its domination and shift power from one layer to another, but for the time being leave the society itself untouched.

The same proletarian demands encounter different types of opposition from the dominant classes depending on the level of development of the different countries. That is why, on the one hand, means of struggle that are successful and often used in one country cannot or no longer can be used in another, because the resistance of the ruling classes can no longer be broken and the lack of success would only tend to damage [the workers'] own party. However, a weapon of struggle takes on a whole different meaning when it stands for a test of power between the two classes. However advanced or backward the level of development, in a mass strike proletarian power manifests itself independently of the control and influence of organised bourgeois power and as a rebellion against it. Therefore, the mass strike always and everywhere has to encounter the tenacious resistance of bourgeois society. Nevertheless, this resistance will exhibit a very different degree of intensity, energy, ruthlessness, and unity in different countries.

In Germany and in Austria the political mass strike is on the agenda of the party congress.

However, in both countries [the mass strike] is really about politically very different things. The political mass strike, used by what is by far the strongest party in Germany against the strongest government and most unified system of domination in the world, is a wholly different thing than the political mass strike in Austria, used by a small party, which stands against a weak government and a clutter of constantly bickering bourgeois parties. However it might occur, in Germany the mass strike will encounter the sharpest resistance. For, as a consequence of its economic conditions, Germany's dominant classes cannot bear any proletarian success, regardless of the issue. To them the individual question seems of marginal significance. What is important to them is that an organisation of proletarian power, directly and under its own steam, defeats an organisation of bourgeois power. A decision in favour of the proletariat on one question must lead their opponents to fear decisions on other matters. If the proletariat wins here, it can also win there. The proletariat can put the question however it wants, for the dominant classes it will only interpret it as a matter of to be or not to be.

For Germany, therefore, the mass strike is a decisive phase, a struggle, which must be fought out to the end and must only result in proletarian victory if it does not end in the proletariat's severe defeat. It is not because the proletariat wants to fight the decisive battle in a mass strike, but rather because its enemies see in any mass strike, in any challenge to its domination, even in the most peaceful and legal actions, their end approaching and resist it with all their might, that, in Germany, the mass strike is only the final decisive means in the struggle between the bourgeoisie and the proletariat.

Thus, for Germany, the political mass strike is not a tool for demonstrations because its enemies cannot tolerate it as such. It is not a means that can be used to achieve any particular demand, but one to be used when all others fail in the decisive struggle for political power. Whatever the proletariat's intention in using the political mass strike, to its opponents it is a deadly threat. It is a totally different situation in Austria. Here, the mass strike cannot be anything other than a particularly powerful means of demonstration, a means of pushing for a demand, the achievement of which seems indispensable to the proletariat for its continued progress within bourgeois society. For in this case the political domination of the proletariat is not at issue. The opposition of the dominant classes does not need to assume its most extreme and unbending form. The bourgeois parties are themselves at odds, partly in reciprocal opposition, which divides public opinion. The proletariat appears as the opponent of a single stratum (*Schicht*), but not as an enemy of the entire bourgeois society. Precisely because the proletariat is weaker, the resistance of the bourgeois parties is also weaker and success is easier because it is only a partial one and cannot mean the complete victory of the proletariat. Therefore, in Austria it is not a mistake from the outset to keep the mass strike in mind for individual actions, a step that in Germany could only be the result of dangerous self-delusion. The political mass strike is one of those weapons that can serve different ends under different circumstances, and the conditions of its use vary greatly. It is very possible that conditions for a strike to achieve specific aims exist in one country, while they are no longer valid for another, and the mass strike there can only be considered as a moment of the proletarian revolution.

However, those who don't acknowledge the historical position of parliamentarianism in Germany, value it only in purely quantitative terms as underdeveloped compared to the [system] in France, and do not see that its weakness is conditioned by the strength of class antagonisms, fool themselves about the aim of the struggle and at the same time over the opposition they encounter in this struggle. They think it is about parliamentary reform, while it is [really] about social revolution. For as soon as the German proletariat emerges from the mass strike triumphant, having defeated the government and overcome the

organisational power of the bourgeoisie, this proletariat will have transformed parliament completely by its victory. It would have ceased to be a bourgeois parliament and would be an instrument of proletarian domination. In our view this means that, if one views the mass strike here as anything other than a final step in the conquest of political power, then one completely underestimates the degree of class antagonism in Germany.

There may be those who reject concern with considerations beyond the aims of the moment and consider it in fact as 'idle speculation about the future'. They might think that a mass strike for the achievement of the Prussian franchise or to protect suffrage rights in Lübeck would be a wise form of practical politics. We believe, however, that the superiority of proletarian policy must be shown precisely in decisive actions, which, through the knowledge gained from thorough analysis of the conditions and possibilities of struggle, reduce the dangers. It may seem odd to some, but it is actually logically consistent that the politics of the 'moderates', which only focus on the present, on the needs and knowledge of the moment, can be much more dangerous for the proletariat than the ideas of the 'radicals'. In this case, for Germany, this conception means the underestimation of the enemy forces, which in the final instance springs from the pessimistic underestimation of the maturity of economic development and of the strength of the proletariat. Therefore they see in Germany, too, only an episode in the struggle, whereas in fact at issue is the decisive [moment] of the whole war.

Rudolf Hilferding, 'Parliamentarismus und Massenstreik' (1904–5), *Die Neue Zeit*, 23 (2): 804–16.



With Collective Power (1912)

The Chemnitz Party Congress has largely achieved everything that the party could hope for at its first major public event following a great electoral victory.* It became a manifestation of German Social Democracy's solidarity of purpose and unity, and its results buttress to the same degree both the party's strength internally as well as its offensive power externally.

* In the Reichstag elections of 1912 the SPD won over 4 million votes (34 percent) and 110 seats, making it the strongest single party in that body.

The Chemnitz Party Congress stands in a certain contrast with earlier congresses and appears as the close of a certain phase in the party's development as well as the starting point of a new phase.

For years our party congresses have chiefly served to air internal debates and they were dominated by the antagonism that we have grown used to calling the struggle between revisionism and radicalism. It was not ideology, however, that gave revisionism its strength. Revisionism never developed its own, fully worked out theory of social or political development. It was satisfied with borrowing a series of bourgeois criticisms of scientific socialism and with attempting to bring these to bear within the party. It never possessed a unified concept and the views of its many representatives were as varied as the prejudices against Marxism. For that reason we have the insurmountable difficulty of defining revisionism as a concept, an impossible task, about which many representatives of the idea remain proud. And, like the theory, revisionism's practical positions dissolved into ever more contradictory currents.

But what gave this ideology power and influence were certain very real antagonisms, which, as in other countries but especially in Germany, economic development had brought forth. When in 1897, after long years of depression, an extraordinary period of prosperity began such that the current generation had never before experienced, a celebratory optimism seized the whole bourgeois world. Crises would be things of the past, rapid and uninterruptedly rising production would create incredible wealth that would be increasingly shared by the working class, now freed from the fear of unemployment; the unions, the success of which one had earlier underestimated, would now be re-construed as organs of social peace, which, in league with the cartels, would contribute to the regulation of production and would secure for workers a suitable share of the profits. Class antagonisms would consequently be reduced and cooperation could replace struggle between the classes, which would at the same time overcome all resistance to democratisation. And, to ensure that all these blessings that newly strengthened capitalism would bring to humanity would be fulfilled all the more richly, it was necessary for the empire of capital to constantly expand so that production could proceed without hindrance. It seemed that the road to social peace had been paved. For all dilettantes interested in politics or political economy, democracy and monarchy, social policy and imperialism seemed to be the magic formula.

It was no surprise that this ideology also found an echo in party circles and in different ways and to varying degrees laid hold of some individual minds. That it was able to exercise influence for a time was due to certain latent antagonisms that existed between the political and trade union movement[s]. Indeed, the recent economic upturn gave the union movement room for manoeuvre. It

was able to chalk up brilliant organisational successes and considerable material gains. But the organisational development had to overcome certain internal sources of resistance, which flowed from the unions' traditional view, which often no longer conformed to reality. The expansion of support institutions, the progress of centralisation, the complicated tactic of contract negotiations, and the limits of the unions' possibilities for success were exposed to steady criticism, which indeed in most cases had nothing to do with Marxism, but appeared to the union leaders to emanate from 'radicalism'. By contrast, 'revisionism' made sure to portray every immediately practical need, indeed every illusion of the moment – such as the possibility of trade union 'neutrality' – as a consequence of its 'theoretical' outlook. If at that time the extant antagonism between the trade unions and the party was one of the roots of [revisionism's] influence, some of its spokesmen also knew how to take consistent and skilful advantage of this division in order to present themselves as the real representatives of trade union interests within the party.

The other root of revisionist influence lay in the diversity of political development in the Reich and in Prussia on the one side and in the south German states on the other. The parliamentary political constellation brought with it the temptation for all kinds of tactical experiments, which often threatened to blur the clear and sharp line between proletarian and bourgeois politics. Here, too, the revisionists knew how to take advantage of this antagonism. Finally, all those opportunistic tendencies and exaggerated expectations of the possibilities for success flowed together into revisionism. Along with that came the impatience to see the steadily growing real power of the party among the masses and, therefore, in society, converted into immediate parliamentary and legislative successes, while fully underestimating the basic fundamental and simple fact that precisely the growth of the party's power brought forth the unity of its opponents and made it more difficult for a strong proletariat to give expression to its power through democratic successes than for a proletariat that is weak, less feared, and without social influence.

It does not have to be explained here in detail how the facts finally settled this lengthy dispute within the party. Who talks now about the long-term ending of crises, of the diminution of class antagonisms, of the regulation of production through cartels and trusts, of the ever more rapidly rising workers' share of capitalist wealth, today, in a period of increasing tax burdens, of rising inflation, of political and economic difficulties in trade union struggles, in a period of military buildup and the growing danger of war?

The antagonism between the party and the unions has, therefore, long ago given way to the most complete understanding. In all circles the conviction of their close alliance and of their indivisible interdependence is more alive

than ever before. As the unions steadily grow, so do their struggles, and as their immediate political significance grows, the size of the party becomes a direct union interest. On the other hand, the most important political mass actions cannot even be carried out without the well-organised and schooled proletariat. Any disturbance, therefore, in this close relationship, whatever its origins, will be increasingly regarded as unbearably damaging by all party and trade union groups.

But also the antagonism between the politics of southern and northern Germany, which seemed so threatening a few years ago, has lost its edge today. If it is not yet eliminated, opportunism in South Germany is encountering growing opposition and, having no victories to show for itself, its tactic cannot attract new followers. South Germany also shows that national policy, which is determined by Prussia, also increasingly dominates the individual states. The sharpening of class antagonisms and of political struggles is also becoming more characteristic of southern Germany.

Revisionism, however, with all of its illusions and prescriptions, has not survived this development and will have to go into its grave before finally being defined. Recent years illustrate its self-dissolution. Some of its one-time adherents have increasingly gone over to imperialist ideologies and distance themselves more and more from the party. The party fights against the rising cost of living, while they support protective tariffs; the party fights against the protective tariff system and colonial policies that weigh heavily among the causes of increasingly warlike entanglements, while they increasingly give credence to the ecstasies of colonialism; the party fights militarism while the others worry that it will discredit the demand for a militia; the party grows ever more united, while the attacks and baiting of the others grow ever more malicious. Therefore, they find themselves on the 'dead track' which the express train of the party rushes past – full steam ahead.

The others, however, who have recognised the incompatibility of imperialist and Social Democratic worldviews, must increasingly separate themselves from their earlier 'coreligionists'; they step back into the rank and file and, even if as before there are differences over tactical questions, these have ceased to be a danger to the party's unity or fighting ability.

But doesn't the end of revisionism mark the beginning of a new group alignment in the party, and didn't Chemnitz also see the emergence of a new 'left wing'? Indeed, Otto Bauer occasionally has written about the 'Marxist Centre' that would now be flanked by right and left wings. We think that he has been somewhat hasty in granting this 'most recent current' the honour of a Marxist historical construct. We must contest the correctness of this construct because we Marxists don't represent a 'centre' to which a 'radical' wing can

attach itself. We Marxists – and certainly our friend Bauer agrees with this – by no means give up the claim asserted by Marx and Engels for all time as they wrote: ‘The Communists are, therefore, practically the most advanced and resolute section of the working-class parties of every country, that section which pushes forward all others; they have over the great mass of the proletariat the advantage of clearly understanding the line of march, the conditions, and the ultimate general results of the proletarian movement’. Therefore, there is no other rational radicalism besides Marxism. Where it ends, confusion begins.

Indeed – and Chemnitz demonstrated this clearly to those not convinced by the preliminary discussion in *Die Neue Zeit* – at present the ‘new current’ does not exist outside of Bauer’s construct and outside of Pannekoek’s parallel desires.* And the evidence thus far seems to allow the well-founded hope that it will remain this way. For comrade Pannekoek’s response to Kautsky’s assertions, published in the *Leipziger Volkszeitung*, must be described as a complete retreat, if one does not have the opinion that his earlier tactical arguments already had been fruitless. For it is unnecessary to contest the realisation that when mass actions succeed, they are useful, and when they fail, they do damage but don’t signal the end of the proletarian movement. However, in regard to the opposition’s demand for reduced armaments – nobody is thinking of complete disarmament – it is now time that this misunderstanding finally be recognised. Comrade Lensch expressly asserted at the party congress that such agreements between two states lie in the realm of the possible. He said in *Die Neue Zeit* that, if the occasion arises, we could vote for such a treaty. And so should the demand for such an agreement be a primary transgression or thereby become something that we demand internationally?

Indeed – and now we at last come to the discussions of the party congress – precisely the debate on imperialism, which, like the report itself, was carried out on a high level, demonstrated very clearly how the most recent development of capitalism finds the party united and ready to fight as one man. It is exactly we Marxists who may point out with satisfaction that the party had prepared well for this question, and we may assert that those who claim that a lack of clarity still dominates the discussion of this issue are wrong. We believe that the accepted resolution contains a decisive advantage because, by calling for

* Anton Pannekoek (1873–1960) was a Dutch mathematician, astronomer, and Social Democrat. In 1906 he gave up an academic position in Leiden to take a job at the SPD’s Party School in Berlin and later exercised considerable influence over the Party in Bremen and over the left-wing of Dutch socialism. On the mass strike and other issues, he supported the radical left’s critique of ‘the Marxist Centre’ in which Kautsky and Hilferding were key figures.

reduced armaments, it raises immediate, defensible, concrete demands in the sphere of foreign policy, to which [our] agitation can consistently be linked in order to take part in the resistance, which the ruling classes oppose, in spite of their usefulness to the masses, to develop the actual impulses of imperialism.

As with imperialism, the party congress was also unified on the question of economic policy, which again identified the rising cost of living as an acute problem. And just as it used Hué's report to steer public attention to one of the most important questions in the sphere of social policy, the congress took a position on the most important political problems with strong propagandistic effect.*

And, happily, this externally directed activity was complemented by the real party work. Initially, the executive was able to celebrate a well-earned triumph over the attacks directed against it during the Göppinger affair.** Hopefully, the long-term impact of this result is not the judgement of the individual case, but rather the conviction that legitimate 'democratic mistrust', which Bebel speaks about so gladly, not be allowed to lead to a non-critical prejudice, which accepts literally everything brought against the self-elected shop stewards of our organisations from any side whatsoever. Thus, it is precisely these debates, as basically insignificant as they were as a starting point, that have the salutary effect of increasing the sense of responsibility in criticising the party and thereby also strengthening its inner unity.

Hopefully, too, the new institution of the Party Council will have the practical effect of strengthening our organisation. Indeed, it seems suited to bringing the party leadership into closer contact with our organisations without reducing its sense of responsibility and its readiness to act. And the decision on the superfluous nature of the 'special conferences' also signifies a further strengthening of the party. It is not their elimination that appears to us as the most essential thing here, but rather the spirit from which this decision emerged and could be unanimously agreed upon. It shows how the internal relations of the party have improved since Magdeburg, where it seemed to some people that a party split was in the realm of possibility.

* Otto Hué (1868–1922) was a leading Social Democratic trade unionist, newspaper editor, and legislator. From 1904 until 1917 he led the German miners' union.

** The Göppinger Affair refers to a conflict between August Thalheimer (1884–1948) and Karl Radek (1885–1939), radical editors of the SPD's newspaper in Göppingen, the *Freie Volkszeitung*, and more moderate party leaders such as Karl Kautsky on the issue of how the party should resist imperialism. In June of 1912 the editors were forced out, ostensibly because of the paper's poor financial circumstances.

Scheidemann's report on the Reichstag election produced an interesting, if also essentially retrospective, debate. It is neither possible nor necessary to provide the details here again and its conclusion offered nothing surprising. Scheidemann was right when he said that extraordinary situations demand extraordinary means. With that the line was clearly drawn against those peculiar compromise fanatics, who most of all would like to make compromises in every circumstance, including those in which there is nothing to be gained politically, but from which a small shift in the number of mandates might be achieved. In this case there was in fact a special situation; the fashioning of a majority was in our control. Certainly the executive went to the outer limits in this matter and of course the complaint of the organisations involved deserve serious respect. But it would have been damaging to the party's propaganda and also to its ability to defend itself in parliament if it had not made the attempt. A very large majority at party congress recognised this.

A peculiar debate, whose reports one reads with no small amount of astonishment, brought the party congress to a close. Gerhard Hildebrand's commission encountered a small but vociferous opposition, which used arguments to justify its standpoint that sound extraordinarily strange. For in the end they amounted to a denial of the party's right to determine its worldview and programme for itself. They lead to the anarchistic view – if not, of course, in a political sense – that every individual is completely free to determine for which views he, as a member of Social Democracy and in its name, is prepared to fight. The party would cease to have a binding common outlook and would simply be an organisational community that anyone could use as he wished. It would open the door, as comrade Wetzker recently said about this idiotic situation, to 'social democratic propaganda against Social Democracy'. After all that it is not surprising that this minority also confuses the character of the state as an organisation of force with that of the party, which rests on the voluntary association of people who think similarly. The party congress did the obvious thing and accepted a proposal of the overwhelming majority for expulsion. What remained hard for us to understand was only the excitement with which this obvious step was carried out.

The Chemnitz Party Congress did good work and its decisions and discussions will promote great satisfaction in the party. We are the last to underestimate how necessary the debates were at earlier party congresses and how much they have contributed to the critical schooling and to the independence of thought of the German working class. But nothing would be more damaging than a fight lacking substantive evidence. Chemnitz showed that this danger does not exist. After the many party congresses of internal struggle, it has exhibited the party from nobler heights than ever before, united in all questions

related to its daily struggles and in its final goal. Social Democracy faces its great struggles with collective power, which will bring it closer to its goal.

Rudolf Hilferding, 'Mit gesammelter Kraft' (1911–12), *Die Neue Zeit*, 30 (2), 1001–6.

Karl Renner

What Has Social Democracy Accomplished? (1907)

Part II. Ten Years of Parliamentary Work for the Well Being of the Working Class

The Franchise

Casting a vote is not an end in itself. That is not what our forefathers fought for decades to achieve. They wanted the *mass of the people to make decisions* through their delegates in parliament. But parliamentary activity itself is only a part of their political tasks: a larger and more important part is **the political and economic work among the people**.

Every time new elections occur the bourgeois parties suddenly discover the people again. They come and promise everything you can think of to the voters. If a bourgeois candidate is elected, he hops into the train to Vienna and then leaves the scene and disappears until the next round of elections. If there were no elections and no parliament, then the bourgeois parties would cease to exist.

The Social Democratic Party is completely different from them.

It was founded and existed *for a long time before the workers had the franchise*. **Without any prospect of a mandate**, the men who assumed responsibility in it worked *for many years*. *If there was no parliament at all they would do it anyway, yes they would fight for the working class with even more zeal*. Russian Social Democracy has proved this by example.

The ethnic Germans, the Pan-Germans, and the Christian Socials will ask in wonder: What can one do without parliament, without legislation? Nothing! One can only work for the people in parliament and when you elect me to parliament, I will do it for you personally!

And the petty bourgeois really believe in the good will and the power of the person; they create personality cults; first it is Schönerer, then Lueger, and then Wolf is their idolised darling.*

* Georg Ritter von Schönerer (1842–1941) was a wealthy landowner and the leader of the anti-Semitic, anti-Catholic, Pan-German nationalist movement in the Austro-Hungarian Empire. Karl Lueger (1844–1910) was a major leader (and anti-Semite) of the Christian Social Party and longtime Mayor of Vienna. Karl Herman Wolf (1862–1941) was a popular rival of von Schönerer's within the Pan-German party. In 1902 Wolf split with Schönerer and founded the German Radical Party.

But Social Democracy Knows no Cult of Personality and is Not
Superstitious about Parliament!

The trained Social Democrat works every day far from parliament among the people. He enlightens his colleagues in the workplace and organises them in educational associations, trade unions, and cooperatives. He looks for good books and brochures and attempts to circulate his newspapers. In every large workshop there is a shop steward who discusses workplace problems in the press of his trade and thereby makes them untenable. In every workshop, in every factory town, in every branch of the economy workers fight unrelentingly for their rights to a better wage, shorter working days, the maintenance of protective labour laws, and against the exploiters, who want to make food more expensive. And, as in the military, from many such companies a regiment is formed, and from many regiments an army.

Social Democracy – That is the Army of Working People That
Fights Every Day

It fights the biggest and most difficult battle outside of parliament: on the battlefield of labour. That is where the real power lies. And from there at election time it sends its best champions to parliament. *But it does not fool itself that parliamentary representation and especially a single person can do much of anything* unless the organised masses stand behind them, or that they can be anything more than a helpful weapon against the ruling classes, though indeed a very sharp weapon.

The emancipation of the working class can only be the work of the working class itself. To that end Social Democracy works incessantly in clubs, assemblies, trade unions, and cooperatives, in the press and from man to man.

The petty bourgeois sometimes allows himself to be convinced that someone will save him. He helps him get into parliament and is immediately inactive and abandoned. Nobody organises him, nobody teaches him; his whole political life – at least thus far – consists of being part of a herd of voters who elect the fence posts that keep the herd corralled.

What the Worker Expects from Parliament!

Parliament will not end the suffering of working people overnight; it will not 'save' anyone; it will not solve the '*social question*' and sweep away class rule.

The people themselves will do that in struggle when the time is right and it will be brought about by their organised power.

But the contemporary state is in deep debt to working people.

As a bourgeois class state it owes us all the basic rights of citizenship.

And as a human community it owes to every member at a minimum *that workers don't starve, that the sick don't languish helplessly, and that old men must not go begging.*

While at work the labourer is exploited by capital. No bourgeois law or parliament can end this exploitation, only the worker can and will do that in his great historical struggle.

But it is the duty of every social order, unless it wants to be described as bestial, to protect its children, who cannot yet work; its old men, who can no longer work; its women, at the hour of motherhood; and its sick or invalid comrades. It is in the exploiter's rational interest to limit the hours of labour and to create workplaces that are so healthy that overwork and poison do not result in the worker's early death.

Social-political legislation has long been especially backward in Austria. It can only be brought forward in parliament and only through strong Social Democratic representation. And, next to political rights (see part one of this brochure), that is the great interest for which the proletariat participates in parliamentary life and sends its champions to parliament. If they find a tribune here for the enlightenment of the people and for whipping the people's enemies and exploiters, then they can and will drive the government and parliament forward even if not a single one of their proposals are accepted!

1897 to 1900: The First Worker Representatives in Parliament To Badeni's Exit

As explained in Part I, in the fifth curia, when the first Social Democrats entered parliament, they recognised two tasks above all others: first the achievement of the equal franchise, and second, the expansion of social legislation.

The Expansion of Social Legislation

The 14 member Social Democratic delegation elected in the spring of 1897 immediately began drafting social-political laws – we will become familiar with some of them presently – and brought forward a portion of them immediately, so that, after 30 years of constitutional struggles among the great and the privileged, now, finally, the working people's state of emergency also would get a hearing.

Badeni was Minister President. His Minister of Railways, Guttenberg, to please the Christian Socials, dissolved the railway workers' organisation. The Social Democrats strongly defended them, but the house of privilege defended Badeni! At that time all the bourgeois parties sought the favour of this enemy of the people. The Social Democrats resisted him from the first day with all their power, but they hoped to be able to push the parliament further.

Straightaway in the thirteenth session they presented a proposal concerning the introduction of *mine inspection*, a law to protect *clerks*, and one concerning the working *conditions of miners*, calling for the *eight-hour day*. In addition, they proposed a draft law on the *liability* of the rail and tram companies, requested urgent action on the reform of the *Bruderladen* and more.*

The Christian Socials and the German bourgeois parties make it easy for themselves and demand that the **government** draw up and submit legislative proposals. In this way anyone can easily play the role of legislator. The proposals noted above were fully worked out in legal form, a sign of how seriously and energetically the Social Democratic delegates took the people's business.

Then the nationalist struggle and the Hungarian Settlement broke like a hail-storm over the parliament. One had agreed to a settlement with the Magyars with which one hoped to buy the Czech bourgeoisie with decrees on language. German obstruction was the result. Baden's supporters turned to violence. The attack on the Social Democratic tribunes on 26 November 1897 overthrew the Polish-Clerical-Young Czech majority and Badeni and the thirteenth session closed with no social-political results and left behind the worst prospects for the future.

The Shamrock: Thun-Kaizl-Baernreither

After Gautsch's caretaker government the government of Thun, Kaizl and Baernreither opened the fourteenth session (March 1898).** The Social Democratic faction stood by its old proposals and put forward new ones such as a request for immediate action concerning the salary and working conditions of the Court ushers and office assistants, a draft law concerning Sundays off for employees involved in trade, a law protecting the railroad workers, and immediate action concerning the reform and the expansion of workers insurance through **old age, invalid, widow, and orphan insurance**.

* *Bruderladen* were social institutions established by workers in mining and industrial centers to provide various kinds of material and moral support. For example, they provided aid (cash grants, temporary housing, and so on) to sick and injured workers and to families of deceased workers.

** Renner is referring here to Paul Gautsch Baron von Frankenthurn (1851–1918), who headed the Austrian government from November 1897 until March 1898. Franz Anton Count von Thun und Hohenstein (1847–1916) succeeded Gautsch as Minister President and lasted until October of 1899. Josef Kaizl (1851–1901) was a Czech academic and politician who served as Finance Minister in Thun-Hohenstein's cabinet. Joseph Maria Baernreither (1845–1925) was an Austrian politician who served for a short time in Thun-Hohenstein's cabinet as Minister of Trade.

In addition, it raised many questions in parliament. But all its efforts were in vain. The radical nationalist parties stuck with obstruction, because for them the official language of the government departments was so much more important than the sufferings of the masses that they allowed no discussion of the protective legislation. Thus the parliamentary work of 1897 and 1898 was very unproductive. That is expressed in the number of sessions. Of the 94 days in session, 46 involved discussions of complaints against the ministers and emergency requests, 5 sessions were spent on constituting the house, and 11 consisted of pure obstruction during which nothing was accomplished, unless one views thrashing one another as work. Thus the most recent proposal for immediate action to reform the *Bruderladen* went nowhere. The emergency request concerning the improvement of the situation of the Bohemian glass workers at least had the effect of motivating the government to grant a subsidy of 12,000 crowns to the cooperative founded by the glass workers.

The Social Democratic faction achieved a fine success with the **Civil Servants Law**, in which it pushed through improvements *against the will of the government*. With one proposal, Finance Minister Kaizl declared that its acceptance would make it impossible for him to sanction the law. Kaizl wanted to put the law on the back burner until some arbitrary moment when it would go into effect. The Social Democrats demanded that the law go into effect on 1 February. And the proposal was accepted. Even though the upper chamber had rejected the draft due to this provision, the Ministry had to give in (31 January 1899). Parliament adjourned on 1 February and was not summoned again until 18 October 1899. During this long period without parliament, Paragraph 14 was in full force: the budget, the proposal for the number of army recruits, and details for the Settlement were put through via Paragraph 14. The bourgeois parties were indifferent. Even the sugar tax was raised. Since their champions could find no tribune in parliament, working people had to lead the fight against the tax increases carried out in breach of the constitution by themselves in assemblies and on the streets. (On 21 August there was a bloody confrontation in Graslitz.)

Ending the Plague!

During the two year Thun government it was already clear to the mass of the working population that *serious social-political progress* would not be achieved in this parliament and that *the fight to reform the franchise* is the only correct struggle for more bread and better working conditions. It was a terrible thing to see the house beset by obstruction and unable to work, but it was almost as terrible when it did work. For then the privileged gave no consideration to the working classes.

The house of privilege revealed itself to be just as pitiful when facing the government and Hungary. It always easily resigned itself to Paragraph 14; it did not oppose it when the government decreed the Thun-Szell Settlement* and higher indirect taxes without asking parliament.

Worthless against Hungary, against the crown up above, as well as for the masses below, the parliament had become useless and dangerous; the short span of the Clary government changed nothing.** The Social Democrats tried to pass a resolution to remove Paragraph 14 from the Constitution, but it was rejected with the help of the Christian Socials. After Clary resigned, Herr von Wittek used Paragraph 14 to implement the Tax Transfer Law and the provisional budget and then he, too, left on 22 January 1900.†

At that time the mortally ill parliament would have been overripe for the Coup de Grace of franchise reform – Social Democracy did not doubt it for a moment that it would end the plague.

Koerber's Attempt to Pray for Restored Health††

But the fatally ill patient himself does not believe in death and Koerber came and persuaded him that he is healthy! Before his feverish eyes he outlined an enchanting programme to restore his youth:

Modern Administration! Industrial Policy! Social Policy!

Outside of parliament the whole population understood immediately that these three things were necessary to win broad sympathy for Koerber and would double the strength of his regime, because the parliament had completely decayed.

The Social Democratic faction had no illusions about the vanity of the attempt to keep parliament going, but also had no reason to block the effort to

* One of many adjustments to the original Austro-Hungarian Settlement of 1867, which provided a framework to manage often strained Austrian and Hungarian governmental relations within the Empire.

** Here Renner is referring to Count Manfred von Clary and Aldringen (1848–1929) who replaced Thun-Hohenstein as Minister President of Austria from October to December 1899.

† Heinrich Ritter von Wittek (1844–1930) was an Austrian politician who replaced Clary as Minister President. His three-week tenure in office from December 1899 until January 1900 was an extreme example of the dysfunction and instability of the Austro-Hungarian system at that time.

†† Ernest von Koerber (1850–1919) succeeded Wittek and served as Austrian Minister President until December 1904.

create a more modern government. Since Taaffes' fall* the higher bureaucracy had suffered one defeat after another and its long-term retreat in the face of the *national* bourgeoisie ultimately left it almost no more time to continue its once passionately led fight against the social democratic workers.

Until that time, **social understanding** was alien to the whole bureaucracy. But need teaches one to pray, the state of emergency taught the Austrian government caution, and Koerber was smart enough not to be especially irritating to the working class.

In the first months of 1900 Austria's coal miners went on strike. By mid-January more than 70,000 coal miners had stopped work. The shadows of those murdered in Falkenau and Ostrau emerge from the grave. On 22 February the workers' party proposed a law to introduce the eight-hour day in the mines. The Minister of Agriculture Giovanelli emulated Falkenhayn's model and gave a speech hostile to the miners that caused a storm of bitterness among Social Democratic parliamentary representatives. Koerber smoothed things over and promised that the government would bring forward draft legislation. In the daily parliamentary struggles, the Social Democrats knew how to defeat attempts by the government and the bourgeois parties to delay [legislation], but through their efforts on 17 May a draft was proposed. The [subsequent] **law for a nine-hour day in mining** remains one of lasting achievement.

Without doubt the Social Democratic efforts to implement the eight-hour day failed due to the resistance of the bourgeois parties. But the speeches of comrades Schuhmeier and Eldersch forced the representatives of government to declare that the nine-hour shift should be calculated from the beginning of the workers' entrance into the mine until the last miner's departure. Through this government announcement, which was achieved via the efforts of the Social Democratic delegates, it became impossible for the coal Barons to carry out a cunning interpretation of the new law that would have robbed the miners of their great victory.

'The faction had proved itself brilliantly during the strike. As citizens protected by immunity, what we did during the strike was our holy duty. I remind you of how, in spite of the ban on assembly in the Silesian coal district, our three people held rallies without official permission. We wanted to put the rifles and bayonets to the test and it became clear that, in the face of the manly demeanour of three representatives, even in this state the rifles and bayonets are too weak' (*Protokoll des Wiener Parteitages 1901*, p. 80).

* Eduard Franz Joseph Duke Earl of Taaffe (1833–95) had served as Minister President of Austria from 1879–93.

That the miners' strike was a struggle of the whole Social Democratic Party against economic exploitation is illustrated by the respectable 328,000 kronen raised by working-class solidarity. This is proof that nothing offers the workers stronger support than joining Social Democracy.

The obsession of the reactionaries that one can cure the parliamentary blood disease by covering the skin with a band aid again raised its head: Zallinger proposed a reform of the Rules of Procedure that ended in a concert of lectern banging, renewed obstruction, and finally adjournment. Koerber had no other way out than to impose the budget and the quota using Paragraph 14.

Social Democracy recently asserted: '*The curial parliament is necessarily dysfunctional; it cannot do more than eliminate itself through electoral reform*' (*Manifesto of 24 July 1900*). But neither the government nor the parliament grasps what is clear to everyone else. The government did not know what else to do than dissolve parliament!

1901–7: The Last House of Privilege

What was the sense of calling new elections? To let the people cast the deciding vote on the crisis? If only the *people themselves* had been summoned to vote! But only curial demagoguery could be victorious. On 31 January 1901 the last curial parliament met and Koeber understood to mask this parliament's incompetence from himself and from all of Austria. He did this by dazzling everyone with large investments: railways in the Alps, local railways, local waterways, and harbour facilities should distract the people's attention from the national and political misery. Parliament followed half-heartedly. Austria was, in fact, far behind in these matters. Not without having forewarned of exaggerated hopes, the delegation participated in the discussion of these laws, but it was also important here to protect the workers. It succeeded in pushing through a series of labour protection measures both for railroad workers and for those in dike construction. These measures not only applied to the regulation of business on site, but the laws also stipulated that firms also had to provide healthy living quarters and clean water and that the workers had to be provided with adequate rooms in which to eat their meals. Comrade Ellenbogen forced the bourgeois parties to accept his proposals by reminding them that years ago they, too, had been small opposition parties that had demanded the very reforms they now, as parties in power, were prepared to vote down.

Meanwhile, the Social Democratic Party, in agreement with the trade unions and health insurance companies, set into motion a major action for **invalid and old age insurance**. Petitions were sent to all local organisations, trade unions, health insurance firms, and municipal council chairman and after they were signed they were submitted to the lower house. More than 5,000 pages with

693,000 individual signatures, 1,480 municipal councils, 1,200 associations, and 408 health insurance firms were submitted to the newly elected parliament on 27 October 1901 and included in a request for urgent action by the Social Democrats on 25 October. The Koerber government finally took up the matter seriously by means of having five ministries work out the 'basic features'.

The golden rain of investments worth 1.25 billion kronen was not enough to fructify the parliament and make it functional. The finances of the crown lands had to be improved through transfers from the tax on spirits and, to that end, via an increase of twenty million kronen! In this way, against all Social Democratic and parliamentary protests, new millions were taken out of the pockets of the working masses and handed over to reactionary state assemblies. Thanks to this enormous monetary sacrifice, parliament was ready for once to approve a budget, thus strengthening the myth of parliament's healthy recovery.

The cancellation of road tolls, demanded by representatives of the peasantry, also came at the expense of broad layers of the population and economic transport. The functional parliament of the privileged proved itself to be more damaging for the people than the obstructionist parliament. The privileged bourgeois majority decided to replace the transparent road toll with a hidden fee on railroad travel, i.e., **the ticket tax!**

Comrade Ellenbogen's suggestion that the tax only apply to those travelling in first and second class was ignored. Thus the parliament of privilege has created another tax to burden the broad mass of the people.

The business of saving the trades provides frightening proof of economic short-sightedness in the discussions about proposed changes to Paragraphs 59 and 60 of the Regulations on Trade. In the discussion of the law on hawking, for example, retail travel and the hawking of baked goods and flowers should be banned. The guild members who took to the streets to fight capital landed in a war-to-the-death against poor women flower sellers! By establishing exceptions, at least the Social Democratic Party succeeded in saving many whose existence was threatened by this reform put forward by middle-class fanatics. Through the active cooperation of the Social Democratic associations and the brave extra-parliamentary struggle of the organised shop assistants, the trade regulations dealing with Sundays off were newly revised.

The ban on the trade in grain futures is also, like the certificate of qualification of those in the trades, the hobbyhorse of people who want to save the agrarian middle class. Indeed, the Social Democrats voted to enter the special debate on this draft law. In the name of the Social Democratic Federation, Comrade Eldersch rejected any responsibility for the effects of this law and blamed those who, through the limitless exaggeration of the impact of the law, have led the peasants in the wrong direction. The danger, conceded by its support-

ers, that this law could cause the diversion of the grain trade to Hungary and damage the district of Vienna, does not prevent the agrarians from seeing this law as half of the salvation of the peasantry. They find the other half in professional agricultural associations. The Social Democrats did not vote against the ban on trade in grain futures. They voted for the cooperatives as a professional organisation. They demanded, however, that not only the agricultural businessmen, but also the agricultural workers should be united in this professional association. Comrade Seitz used the occasion to demand a series of reforms to benefit **rural workers**. He put forward the proposal calling on the government to present a draft law to parliament through which the rules governing servants would be cancelled, all rural workers and servants would be granted full rights to organise, new rules regarding work time, wages, and notice of termination would be put into effect. To settle disputes arising from working conditions, new agricultural courts should be set up following the example of the trade courts. Seitz also demanded the expansion of health and old age insurance to include rural workers. But the parliament of privilege again rejected the Social Democratic proposals. The Christian Socials, in whose name Representative Wohlmeyer 'emphatically' combatted comrade Seitz's proposals, again revealed themselves to be the most dangerous enemies of all social reforms.

The Settlement and Tariffs

After the draft Settlement Law the discussion moved to that of the customs duty. Customs duties bring about increased food prices, especially for grain, cattle, meat, etc. These carry heavy tariffs which cause workers' living standards to fall, while on the other hand industrial tariffs have a tendency to bring industrial development to a halt. Both agrarian and industrial tariffs create monopolies for narrow strata, which enrich themselves at the cost of the community. Our Representative Seitz fought especially hard against the tariffs on colonial products, which presented themselves as purely financial tariffs, and the cattle tariff, which would provide to the big Hungarian breeders a sure profit of 12 million kronen from the pockets of Austrian consumers. But to the peasants and the petty bourgeoisie, these tariffs were too low rather than too high, and their greed thwarted the immediate passage of the tariff in the summer of 1903. In general, parliament became more difficult every day. At the beginning, the grease of millions in investments got the parliament moving but already, by 1903, the power of the House of Representatives repeatedly failed and there was another Paragraph 14 budget. In exchange, however, parliament exposed Austria to the worst **humiliation by Hungary**. All the bourgeois parties readily sacrificed the increase in military recruitment in 1903 to the monster of militarism. Parliament had to deliberate until the early morning hours, despite

the objections of the Social Democrats, until the contingent of recruits could be 'served to the Court for breakfast'. Comrade Shuhmeier demanded that, if the bourgeois parties regard the approval of the increased contingent of recruits as imperative, they should grant it under the condition that a two-year term of service is simultaneously introduced. But the clerical and the Christian Socials, the Liberals, Agrarians, and German Nationalists voted down the Social Democratic proposal! Militarism gained an increase in the number of recruits and the three-year term of service remained in place! And five months later the military administration itself had to repudiate the increase *because the Hungarians refused to accept it*. Parliament calmly accepted this humiliation, *proof of how ripe it was to be swept away*. A second humiliation then followed: the provisions of the Settlement were arrived at assuming that the dual relationship would be maintained. But then the Hungarians raised military demands, above all concerning the use of Hungarian as a command language, without which the increase in the number of recruits was a non-starter. The Hungarian Minister President, Szell, resigned and Tisza took his place. Facing a storm of indignation, Koerber [also] offered his resignation, but ultimately remained in office.

Although the Social Democratic Representative, Ellenbogen, had drawn attention to the frailness of such a decision in the face of the Brussels Conference, parliament passed a law on the sugar quota that had to be revoked by decree under Paragraph 14. In vain the Social Democrats repeatedly demanded a reduction of the sugar tax. Their demand foundered on the obtuse apathy of the bourgeois parties and on a lazy-minded fiscal outlook, which was unable to recognise that the expansion of sugar consumption would have fully compensated for a reduction of the sugar tax. However, Austria had to accommodate itself to a **sugar surtax** that favoured Hungary, established a hidden customs border, and violated the Settlement to Hungary's advantage. The policy of the last three years under Koerber was dedicated to nothing other than putting the Settlement into place: railroads, canals, liquor tax transfers, the elimination of toll roads, billions in credit and tax increases – everything had to serve the implementation of the Hungarian Settlement. The reality was that it led only to the humiliation of Austria! Czech obstructionism delayed it for at time but never brought it to a halt.

And so on 25 June 1903 parliament had to be sent home again so that Paragraph 14 could trample upon its rights! The investment induced high had faded; the parliament of privilege, ripe for death, had awakened from its feverish dream of renewed youth.

The sessions held from 23–6 September 1903 were dedicated just to discussing the contingent of recruits. Hungarian obstruction thwarted the increase

and hopelessly disgraced both the military administration and the super patriots. Now the Draft Recruitment Law had to be discussed again, because, through the energetic agitation of our party, *the holding back of the third year recruits* proved to be untenable. Like every year, once again the Social Democrats took advantage of the opportunity to launch an energetic attack **against militarism and for the two-year term of service.**

But the house of privilege, otherwise unruly as an obstinate mule, always ate out of the hand of the military authorities.

Proceeding amidst continual requests for emergency action, the fall session of 1903 (from 17 November until 12 December) accomplished nothing at all. In the spring session of 1904 (from 8–12 March and from 19 April until 10 May) a total of two proposals dealing with obstruction were passed! Only the delegation elections of 22 April, which took place during an extraordinary meeting, are worth mentioning. Comrade Pernerstorfer protested against the procedure of the extraordinary meeting. Amidst the Social Democratic protests, the elected delegates granted militarism credits worth 353 million kronen, whereby the mass of the people had to take on unbearable burdens. One pretended as if these 353 million cost nothing. (The Refund Scandal.)

In the summer of 1904, using the organisation of the Emperor's trips to Bohemia and Galicia, Koerber sought to feign that he had maintained his old, powerful position. But, not wanting to participate in the Refund Scandal, Böhm-Bawerk resigned on 28 October.* Kosel took his place. The cabinet was fragile. One must add to that the shameful bankruptcy of Koerber's policy regarding issue of the Italian universities. This had led to recent bloody clashes in Innsbruck, which had to be understood in the context of rumours about Italian armaments against Austria and Austrian armaments against Italy.

Parliament was no longer even useful as a podium to promote struggle. Social Democracy had to move into action among the people themselves. In the months of May and June 1904 numerous public meetings and protest rallies were organised all over Austria against the attack on people's wallets. The agenda: 'Millions in Support of Militarism and the Plight of the People'. These occasions served to demand the introduction of old-age insurance and of provisions for widows and orphans. Subsequently, Social Democracy organised protest rallies **against food profiteering and the beer tax.** If one grants the state assemblies, in which the people are not represented, the right to assess beer

* Eugen Böhm-Bawerk (1851–1914) was one of Europe's leading economists. A major exponent of marginal utility theory, he taught at the University of Vienna and served the Austrian government three times as Finance Minister. His 1904 resignation flowed from his objections to the corruption he perceived in the defence budget.

taxes, then the customs duty recently agreed to with Hungary must lead to a price increase for all kinds of food. The Christian Socials passed the beer tax; all the bourgeois parties showed themselves to be willing to grant credit for armaments, but they have nothing but words for old-age insurance.

The intensive fight, which the workers' party has led for old-age and invalid insurance with such tenacious perseverance, pushed Koerber to accelerate the discussion of their 'basic features' and, just before his resignation on 9 December 1904, he presented the results of the investigations – the Programme for the Expansion of the our Workers' Insurance – to the house as his testament. The curial parliament had not even discussed this programme once!

After Koerber's Fall

One cannot deny the merit of Koerber having attempted to carry the parliament along with his generous industrial policy and halfway modern social policy, and for a while he was able to pull it off. But in its heart of hearts the house of privilege was reactionary, agrarian, and rooted in the guilds, ultimately leaving Koerber alone. He fell and Gautsch came next.

The parliamentarians who had just dismissed the more modern Koerber and his significant social policy welcomed the empty declaration of the Gautsch government on 24 January with satisfaction. There was not a word about continuing [the discussion] of insurance and protective legislation for workers. On the contrary, Gautsch announced that the old, long dismissed, and **fraudulent middle class** policy would be revived! This economic and political programme challenged Social Democracy's defences. Under duress, one could put up with the simulated functionality of parliament under Koerber to promote economic progress, but it was unbearable when the semblance of life in the house was misused for reactionary purposes. The movement for the franchise immediately applied all its strength [against it] and the parliamentary delegation went over to the attack.

Wittek's Resignation

In the Commission on Railroads Dr. Ellenbogen kept a sharp eye on the operations of the Christian Social Minister of Protectionism because of credit overruns in the construction of the alpine railway. The committee appointed to investigate decided on a vote of no confidence and Wittek fell on 2 May 1905.

The Amended Trade Regulations encountered sharp criticism by comrade Eldersch, which the Social Democratic federation sent to the trade commission. The old parliament had celebrated real orgies when it came to the fraudulent saving of the crafts. The trades regulations were incessantly reformed. We have already experienced the following amendments and additions:

1. Law of 15 March 1883
2. Law of 8 March 1885
3. Law of 15 January 1895
4. Law of 23 February 1897
5. Law of 25 February 1902
6. Law of 22 July 1902
7. Law of 18 July 1905
8. Law of 5 February 1907

Of the 152 paragraphs of the old trade regulations only 16 remain in force today, the others have been changed and changed again. Each one of these reforms should have put the handicrafts on firm ground once again and today, after the reform, the craftsmen themselves concede that the last reform was useless. This whole business of salvation has only perforated the basis of the law like a noodle sieve.

Both in the permanent Commission on Trades and in the plenum, comrade Eldersch represented the interests of the workers against the guildsmen. The Social Democratic representative demanded the creation of a legal basis **for contracts based on collective bargaining**. But the guildsmen are satisfied with a sham reform: A collective contract agreed upon by a shop assistants' committee and a co-operative is only effective as long as the individual business owner has not reached a different agreement with his assistants (114b.) Thus, the Christian Socials and the bourgeois German guildsmen guarantee to the individual master the right to bring on underhanded competition among his colleagues at the workers' expense!

Similarly, all of comrade Eldersch's attempts to win **the equality of assistants** within a cooperative failed in the face of the guildsmen's lack of insight and their pretentious pride of ownership. Even after the passage of the new law, the masters of the cooperatives alone make the important decisions, including those that impact the assistants.

The parliament of the privileged even refused to pass protective legislation for working youth. In vain Eldersch called for the eight-hour day for apprentices, the thirty-six hour break on Sundays, the banning of physical discipline, the abolition of apprentice fees, the introduction of apprenticeship inspectors, and the shifting of training to daytime hours. The guildsmen even voted down the proposal that fees paid by poor apprentices only be used for their training and support! Nothing more could be achieved than the stipulation that half of the total amount of apprenticeship fees must be used for the apprentices (Paragraph 115.) Thus, the eleven Social Democrats stood alone in the struggle against the exploitation of children.

The discussion of the eighth amendment to the trade regulations ended with the salvation of the trades through **the fifth modification of the law on peddling** and with the plundering of the broad masses of consumers through the final and definitive **pushing through of the common customs duty!**

Both in the committee and in the parliament all of the Social Democrats' efforts to fight the rising cost of a long list of the most important household items failed. With great speed the parliament of privilege secured the plunder for the big landlords and industrial magnates, as if they sensed that perhaps it would be their last.

After passing the law on the distribution of beets, which should protect the peasants from the cartel of sugar producers, the House of Representatives went home on 13 May 1905. Gautsch wanted to mediate peace between the Germans and Czechs during the long summer months and take leaders of the German nationalist party into the cabinet. *For twenty years it's been the same childish and vain effort:* Again a bureaucratic minister attempts to milk the parliamentary goat and the nationalities should be patient and hold the sieve underneath! *Finally, they lost patience.* When parliament resumed its activity on 26 September 1905, Gautsch's ministry suddenly faced electoral reform, as described in Part I.

Social Legislation in the Year of Electoral Reform

The privileged were struck with pale horror when the electoral reform became serious. At first they were filled with anger and hate, but then a bad conscience reminded them: had they not used obstruction to waste precious time through two election cycles? After six years of that could they face the people? Their bad conscience drove them to an unheard of amount of work at the twelfth hour. For a half a year they all worked to strangle the electoral reform. When that attempt came to nothing, the more perceptive among them raced to make up in a year with the sweat of their brow for ten years of idleness. But this work made their reactionary spirit very clear.

From 26 September until 26 October that House was busy with questions of high politics. The debate over Gautsch's call for electoral reform took up the fall session from 28 November until 18 December. It was an orgy of the hatred of the disappointed. The only economic and political results [of the session] were the extension of the law on local railways and emergency declarations.

The spring session of 1906 (from 30 January until 18 May) simply allowed the intriguers to defeat Gautsch. Everything that the parliament attempted aimed to postpone the reform. To commend itself to the Emperor it quickly approved the contingent of recruits; to appeal to the voters it approved social insurance for private employees on the first reading in the House of Representatives,

whereby comrade Eldersch revealed the severe shortcomings of the law in a sharp critique. It attempted to win over the farmers through the *Law on the Origins of Hops*. It played at being the brave defender of Austria against Hungary in the debate over the so-called *Enabling Act* (14 February), at being cautious maker of economic policy to continue *trade negotiations* using its newly authorised power, at being a modern economist through the passage of the *Law on Limited Liability Corporations* (21 February) and the *Law on Checks* (23 March). It sought to demonstrate its patriotism to the crown by approving the *trade treaty* with the Hungarians (22 February). All for nothing: The electoral reform passed at the first reading on 7 March, just after the matter of **the murdered peasants of Ladzkie** had been given an accounting the day before.*

And after the electoral reform was assigned to the committee, one rolled out constitutional questions on the reform. The special place of Galicia should unite Germans and Poles into an anti-reform coalition (27 March 1906); an endless debate on the revision of the entire constitution – precipitated by the Czechs – should rekindle federalist efforts and create a coalition between the Slavs and clerics against equality (first half of April). Agrarian demagoguery raged over a proposal on livestock trade with Serbia (24 April). In order to make the Czechs and Poles more inclined, Gautsch brought forward draft legislation for a northern railway (1 May), to no avail. The Polish Club fumes and wants to have its victim: Gautsch resigns.

But his successor, **Prince Hohenlohe**, continues to pursue the hated reform. Once again the repeatedly beaten intriguers put the Hungarian Settlement before the reform: Kathrein puts forward an urgent request to deal with Hungary's one-sided action in respect to the tariff question. Hohenlohe falls, but equal rights triumphs. **Baron Beck**, the foster father of the electoral reform, comes before the House. The clever ones have resigned themselves to it. The big parties jumped onto the victorious bandwagon in order not to be run over by it. The privileged change their tactics. They play the **hard-working eager beavers** in order to save themselves in the eyes of the voters!

Their work ethic doesn't ring true to the broad popular masses, but rather supposedly those whom they call the middle classes – in truth the guildsmen and the forces of economic backwardness. Initially, the Law on Military Taxes was accepted. The old military tax law had long been in need of reform. The richest paid a tax of no more than 200 kronen, the poorest 2 kronen. The

* Renner is referring here to peasant deaths resulting from police violence in numerous towns in Galicia. Ladzkie was one of several examples of towns where peasants were killed.

collection of the smallest tax payments cost more than they brought to the state! The criticisms of the Social Democratic representatives in the Defence Committee, made as early as 1903, pushed the government to bring forward a draft reform law. Comrade Schumeier was able to bring about important improvements in the government's draft. Thus a law was passed based on the modern principles of taxation that include a tax-free minimum existence and a schedule of progressively increased taxation based on the income of the taxpayer. But the bourgeois parties have distorted this reform and made a business out of it for the treasury. Schumeier's demand to compensate families of serving reservists was not considered (7 June).

The Permanent Commission on the Trades, in which those who wish to save the trades had one-and-a-half uninterrupted years to brood, brought its report to the House on 17 June and now the demagoguery of the guildsmen can really let off steam. In his speech of 16 June Eldersch unravelled the web of deceptions and lies in which the little man, through the certificate of mastery and mandatory cooperatives, can become tangled and not see his true enemies. On 20 July, just before the summer vacation, the Permanent Commission on the Trades also presented the report on *draft law on peddling* and the Social-Political Commission presented a report on *pension insurance for private employees*.

To whom was it worth the trouble? Day after day the privileged 'save' officials, tradesmen, and farmers – naturally it's a sham and without real benefits. But for those who suffer most under the curse of capitalism and agrarianism and under the tax burden of the state, *for wage workers of town and country, for the old and invalid workers they have no time*, they only show cool rejection or open hostility.

The whole winter session from 18 September 1906 until 28 January 1907, the last days of the shameful curial system, proved that.

The Law on Apothecaries should maintain and strengthen the monopoly of individual firms control over medicines. Comrade Ellenbogen tried in vain to eliminate the rising cost of medicines and the exploitation of the poorest by the 'Latin kitchen' through the nationalisation of the apothecaries and the distribution of drugs at no cost (speech of 25 September).

Hueber's high priority resolution aimed to limit accident insurance and accident compensation for workers employed on building sites!

For the fifth time Seitz and Schumeier had to beat back proposals from the agrarian demagogues on livestock imports from the Balkans. (Haueis's resolution of 5 October.) Naturally, the ministry retained all limits on imports. In that regard, the members of our delegation once again had a chance to thoroughly settle accounts with those in town and country **who drive up the cost of food**, especially the Christian Socials, who incorrectly organised and then

abandoned the 'large slaughter house'. On 24 October, in response to Boheim's emergency legislation on **the condition of the postal workers**, comrade Resel represented lower-level state employees, for whom he had already done battle as an expert lawyer during Badeni's time. In regard to the *Law on Beet Distribution*, which had just come back from the Upper House, the Social Democrats recently supported the oppressed beet farmers against the sugar barons.

The nationalisation of the northern railway, which was discussed on 26 October, spurred Ellenbogen to warn parliament about taking over the railway recklessly, to warn about the attacks of Jeitteles, and to call for the lowering of the redemption payments. But the House voted in favour and one learned too late how right the facts showed Ellenbogen to be!

Chancellery office assistants and office workers also found Resel to be a dedicated advocate when their salaries and working conditions were negotiated (18 December 1906). While the discussion of the electoral reform was discussed in the Lower House before Christmas of 1906, the Upper House had discussed the reform of the trades and sent it back to the Lower House because of several amendments.

Once again the House had to discuss peddling (15 January 1907), unfair competition (16 January), regulation of the crafts (17 January), the law on wine, wine must, and wine mash (18 January). At the same time, Ellenbogen sought to protect employees in commerce and industry against the misuse of recommended rules on business and factory secrets and protested that these rules had not been submitted earlier to the Labour Advisory Board for examination.

On 19 January the concerns of state employees, of university professors, and state teachers were discussed to their benefit – all were considered, just not the wage-earning masses. At the end, however, the House crowned its legislative zeal by **increasing the salary of clerics** of all types. It is reasonable that the state pays its employees commensurately, just as any employer should adequately pay his workers. Only the churches, which have plenty of means to do it, do not want to pay their workers and employees themselves. They let the state pay them. In brilliant speeches Seitz and Schuhmeier castigated the greed, the dirty miserliness, the continuous tax evasion, the unrelenting exploitation of the state, and the selfish and power hungry politics of clericalism in Austria. But the bourgeois parties, thinking that the clerics aid them against Social Democracy, as always failed in the fight against clericalism.

The Results of the Last Ten Years

Looking back on ten years of social and political legislation one thing stands out immediately:

From the beginning to the end Social Democracy fought to ensure that old workers do not have to beg, that invalid workers are cared for, that workers in shops and factories are protected, and consumers are not plundered by profiteering in housing or in the purchasing of food.

But the curial parliament and its bourgeois delegates had no time for these matters!

Except for the transitory episode with Koerber, there was not the slightest impulse to *first help the weakest*.

Ostensibly one rescued the peasants and tradesmen – but meanwhile the big landlords and factory owners have only become richer and mightier.

Something was done for officials and public servants – a little for those lower down, considerably more for those in higher categories. **But nothing was done for the working masses** – the miners only pushed parliament along through a costly strike and the shop assistants through active agitation.

The working class does not have a single honest friend among the bourgeois parties. **If it wants to achieve anything, it can only do so as a party for itself, as a social democratic workers' party.**

For over ten years the bourgeoisie has misused parliament for itself alone, *to its own benefit as a class, in its own class interest!*

Now is the working class's moment; now it is the turn of the working class.

Now the older workers, the invalid workers, the overworked, the badly paid, the victims of the industrial battlefield have the floor.

Whoever wants our children to learn in school and our retired workers to no longer have to beg;

Whoever wants the emancipation of the people from the chains of capitalism, agrarianism, and clericalism;

Whoever wants to end the fraud of rescuing the trades and to introduce a modern economic and social policy; votes for men, who have fought bravely for more than a decade inside and outside of parliament for the working and property-less classes: he votes Social Democratic!

Karl Renner 1907, *Was haben die Sozialdemokraten geleistet? II: Zehn Jahre parlamentarischer Arbeit für das Wohl der arbeitenden Klasse*, Vienna: Verlag der Wiener Buchhandlung Ignaz Brand.

Sympathies and Antipathies (1909)

Every year since the discovery of America, capitalism's drive or force has pushed whole armies of Europeans across strange seas and countries. There were plundering conquistadors with their muskets, peaceful farmers with their ploughs, merchants who stole using the form of contracts, and states that cleared lands with the whip of slavery. The flow of 'colonisation' initially followed the line of least resistance into savage and barbarous countries. Merchants visited the older civilisations of the Orient before the military arrived. Already overpopulated, these lands had no place for settler farmers. But after the savage and barbarous parts of the world were divided up, the imperative of capitalist expansion drove the European states with armed force against the historical civilisations of the Orient; they were the last bastions to be stormed. India fell. Egypt was occupied, but at the end of the nineteenth century Turkey, Persia, and China still stood – a large and rich haul. Then the unexpected occurred – Japan resisted all the powers. Japan defeated Russia and defeated the half-European, half-Asiatic despotism of the Tsars. Over the course of a few years, we experienced the grandiose spectacle of Turkey, Persia, and even China awakening. With the sound of its guns capitalist expansion has awakened from their crypts those in the Orient who were apparently dead. European diplomacy, the capitalist press, and European cabinets have still not recovered from the sudden terror that seized them, when, following the *Entrevue von Reval*,* the energetic Young Turks appeared in the midst of the quarrelling hypocrites who aimed to inherit what they thought was a dead Ottoman Empire. They then curtsied and grumpily congratulated the latter upon its recovery.

The sudden fright, the disappointment, the jealous mistrust, the agitated venom over this resurrection sought an outlet and found it when Aehrenthal selected this hypercritical moment in Europe's psyche to transform Bosnia's occupation into its annexation. What! The weakest, the most scorned rival would dare, on its own, to arrogate to itself a part of this earth? Outrageous! What an offence against the law of nations! And, once underway, it unleashed in all languages the hate and jealousy of greedy imperialism, which diplomacy had otherwise striven vainly to conceal with sober memoranda and speeches. All questions of international law were stirred up again, a European war suddenly loomed, and the danger is not yet past.

* Renner is referring here to a state visit by Britain's King Edward to Czar Nicholas at Reval from 9–10 June 1908, during which the heads of state reportedly discussed joint cooperation in the dismemberment of the Ottoman Empire. See Turfan 2000, p. 126, footnote 240.

The proletariat everywhere sees the most recent phase of capitalism's expansionist politics with the same ire and concern as all of its predecessors. Whole generations of workers have gone to pieces due to overwork and hunger in order to facilitate the accumulation of the surplus value, which serves colonisation as merchant capital and as investment capital. Using the whip of unemployment, capitalist crises have driven an army of emigrants from country to country. The export of the products of surplus labour and of masses of the surplus population has brought capital and labour to the savage lands. Where the force of capital has not sufficed, the state's hired thugs have helped out. English prisoners first settled Australia, Russian exiles Siberia. The routes of this recent migration of peoples have been fertilised with blood and tears; they leave poverty behind while terror lies before them. The European proletariat has paid for this expansion with sweat, with blood, and with its own children. But the expansion basically serves an idle class of owners of exotic securities, a profit hungry caste of commercial and industrial cartelists.

The proletariat of all languages is united in its condemnation of this policy of expansion, which forms the definitive character of this period, the character of imperialism. Every Social Democratic workers' party is in a sharp struggle with the imperialists of their own country, the English like the Russian, the French like the German. If, earlier, we Austrians were spared a struggle of this type by the wretchedness of our state, Herr Aehrenthal has now given us a similar task through his Bosnian adventure. Austrian Social Democracy has now taken a similar position in the struggle against the politics of expansion as its fraternal parties.

Meanwhile, this same rejection in principle and practice has not prevented one from differentiating among degrees of evil and applying broadly differing degrees of passion in condemning it. And, indeed, what to everyone appears to be bad, can in fact seem to another to be worse than bad, something worth hating and overly dangerous.

As Otto Bauer has repeatedly explained in this magazine, in the last Balkan crisis two groups of powers came into conflict: British and German imperialisms and their respective allies. This conflict is even more dangerous because, with the exclusion or weakening of Russia, there will be no balance of power in Europe for a long time. For the moment, Russia's weakness has made it an appendage of England, and Russia follows its French ally. The English and Russian Entente at Reval, the most recent agreement between Russia and Italy, and the whole encirclement policy of England against Germany unite the Western Powers, Russia, and probably Italy on one side, while, on the other, Germany and Austria are isolated in Central Europe. The West-East Entente against the Central European states is a formula that gives general expres-

sion to the ongoing competition of the main groups and currents of capitalism's policy of expansion.

Although the international proletariat of each group honestly combats the expansionist and militarist tendencies in its own country, one thing is noticeable: the tendencies of the West-East Entente apparently do not encounter as much passionate hate as those of the Central European states. It is obvious that Austria-Hungary's so-called 'greed for land' and the dominance of the German Reich are viewed as the worst of the worst if we consider the opinions of the press, including our own. We are forced to account for the causes of this phenomenon, because it is rather striking.

England is the state of that bourgeoisie, which has subjugated the most countries to capitalist exploitation by means of force, of law, and of law breaking. What is Bosnia compared to Egypt; what is German Africa compared to the land of the Boers, what are all colonial possessions compared to India! Certainly England's ruling class today has its special, in part more humane, but then also more perfidious means of colonisation and colonial rule. Certainly, England secures its domination of subject peoples with one of the more positive approaches among all other methods of exploitation: it provides order using as little force and as much capital investment as possible. But the relative merit of this method does not count for much among the principal opponents of capitalism, especially in the face of the immeasurable expansion of this exploitation in India. Tsarism, however, increased its economic exploitation with political enslavement and, simultaneously, with the most corrupt legal and administrative insecurity, and with intellectual backwardness. In addition, it is responsible for its cruelty as the working class's executioner and as a continuous threat to European democracy as a whole. How the existing Duma will reduce this debt and this danger remains to be seen.

Facing these two greatest colonial powers, these two bourgeoisies with the most extensive spheres of power, is Germany, with a lousy, unprofitable, marginal colonial empire and Austria-Hungary with its Bosnian holding. This fact raises the question of why, in the eyes of the proletarian world, the extent of German and Austro-Hungarian guilt weighs much more heavily than that of the mistress of the seas and the great lord of nations?

With regard to the German Empire, the answer is immediately clear. In no country on earth exists a people with such a high level of education and maturity side by side with such an all-encompassing, imperious, autocratic state administration and simultaneously brutal, ruthless, and socially rigid bourgeoisie. The German bourgeois shamelessly makes a show of his hate for the working class and aversion to democracy, while the Kaiser and the Junkers just as crassly declare their assumed superiority over the people as

a whole. Sedan had infused the authority of the state and its bearers with limitless arrogance just as the earning of billions had done for the bourgeois. This double dose of arrogance earned a double dose of hate from the working class and all non-German proletarians also sympathise. Looking outward this mental outlook led to the swagger of Wilhelm II, which has depressed and wounded the whole world and incubated a whole world of hate for the German name. And it is only one feature of this picture of the Prussian system when, most recently in Turkey, in its God-given wisdom German diplomacy paid for the pampering of the Sultan with the precipitous loss of the Turkish people's trust.

Nevertheless, this debt of the Hohenzollerns, of the Junkers, and of the leading capitalist circles in Germany lets the great majority of the German nation, of which a third counts itself as Social Democratic, and from whose arrogance all of southern Germany distances itself, atone beyond what it has earned. When it comes to conquest by violence or to the subjection of colonial lands the German Empire cannot be compared to Russia and England; when it comes to the lust for conquest, one capitalist bourgeoisie does not yield to the others. The proletarian international has no reason to make moral distinctions, but politically the mightier will of the despot of Moscow is of greater significance than that of romantic Emperor Wilhelm II, who is hemmed in by 3 million Social Democratic votes. The Duma, based upon an unjust electoral system and the transitory English Entente, changes nothing about the fact that Tsarism is and remains the greatest enemy of Socialism.

What our French comrades understood at that time in spite of the alliance, the English proletariat will remember despite the Entente.

And despite Wilhelm's lust for cuirassiers' boots, shiny swords, and military decorations; despite his whole macabre fantasy putting him at the head of a victorious army against the Huns and Chinese, one cannot overlook the fact that the German Empire, despite the evil will of its ruler, is actually a peaceful power. It would appear, if we Marxists wanted to take it to heart, that one cannot judge men and states according to what they assert about themselves, but rather according to what they must be in light of the real conditions. In the normal course of daily political life the German nation is politically half indolent, it is half powerless against the rhetorical and decorative affectations of its Junkers. But in an emergency it cannot act in that way because no nation can. The most recent totally pitiful call to pull oneself together is only symptomatic of the fact that even a nation that has become politically imbecilic after 40 years of peaceful money-making can have second thoughts in the hour of need. Located between two states bristling with weapons, Germany can carry on a war only under the most extraordinary circumstances and then it runs the

risk that German territory would again become the battlefield of Europe as it was in the Thirty Years War.

But England is completely different. The seas ringing its coasts guarantee domestic peace and continually steer war abroad. Over the last 40 years, it has fought incessant wars in which it did not equally risk all citizens, but rather hired proletarians. The English bourgeoisie carries out its wars for cash and without personal sacrifice, without risking the home territory, and the prize of victory is great wealth and greater wealth. And where England's bourgeoisie does not fight wars, it instigates them. The open crime of German militarism, which strikes the land and the citizens, demands passionate struggle from us, but the British militarism of mercenary troops and colonial armies and Britain's poisonous international diplomacy – this system of hypocritical and cowardly treachery, which wants to hide its covetousness behind claims of morality – is and remains today what it has always been: the arch-enemy of world peace!

Germany's Social Democrats can believe their English comrades, the courageous fighters against British imperialism.

In this hierarchy of dangers there is, of course, no hierarchy of entire nations' character traits. The same strong imperialist inclinations of the bourgeoisies express themselves differently under different political and economic conditions and power relations.

It should not surprise us if Austria-Hungary in contemporary world affairs is a comrade of hated Germany and in recent events has become the main target of attack. That is the just inheritance of Metternich, the well-earned remnant from the time of Bach's absolutism.* But when one in London or Petersburg attributes dark plans or even the power to carry out such plans to this miserable entity that calls itself Austria-Hungary, to this hapless combination of dynasty, governments, and peoples hiding shamefully from Europe under the title of a great power, then one does a grave injustice to our wretchedness. We Austrian Social Democrats carry out our revolutionary struggle under very special circumstances, which even an attentive foreign comrade does not easily comprehend. Rather than the hunger for power or the drive for expansion causing a war, one should fear that the selfless idiocy of the rulers or the outsized weakness of the country would cause it. Thus, Aehrenthal's expansion of sovereignty was not conceived with the goal of conquering Bosnia, but rather with the goal

* Renner is referring here to Alexander Freiherr von Bach (1813–93), a jurist and politician who served in a number of mid-century Austro-Hungarian governments. After serving as a liberal in several cabinets following the Revolution of March 1848, he moved steadily rightward and ultimately played a key role in the restoration of clerical absolutism under Emperor Francis Joseph in 1852.

of defending against Serbian irredenta. This was a limited measure, but one whose limitedness would have soon mixed us up in a war. Austria's weakness, however, is a permanent danger as long as the Chéradames* in Paris, in their nationalist hopes and fears, and the English imperialists, in their calculations, talk about the 'disintegrating empire'. The war party in the West and the East does not base its calculations on the force of Austria's will, but rather on its domestic confusion. And so it reveals a high degree of hypocrisy when one ascribes a sinister, homicidal power politics to a state whose weaknesses one intends to exploit.

At the same time, the Western press overlooks the fact that contemporary Austria, with its almost completely democratic parties and a Social Democratic faction of 89 men, is no longer the Austria of Metternich or Bach. Austria possesses a better franchise law than the German Empire and a broader one than England. Indeed, the old bureaucratic form of administration stands in contradiction to this legislative democracy, but the administration is less bureaucratic than France's, it and the administration of justice is much more influenced by social concerns than those of Germany and, as the most recent decisions show, of England. The Western press, above all the party press, will have no choice but to note the constitutional reform of 1905 and the systemic changes related to it that impact domestic and foreign policy.

If it does that, then Austria's political role – its real one, even if its statesmen neither know it nor want it – in respect to the Balkans and Russia will no longer be hidden. In spite of all attempts, Austria has neither denationalised nor politically enslaved a single one of the Central European nations. It has, rather, knowingly or unknowingly, preserved nations by equipping them with elementary, middle, and high schools and, especially in regard to the West and South Slavs, immunised them against pan-Slavic Tsarism. It has opened to the Polish nation a refuge against Tsarism and German imperialism, as well as a place to hunker down. It protects the Ukrainian nation from absorption into the Russian one and it is preparing the national consolidation of the South Slavs on a democratic basis. The latter is occurring against the will of the state leadership and as a result of this state's uniquely international nature. The national and democratic nature of Austria's development must in the long run undermine Russia's contemporary order, while at the same time this international agglomeration of states between the Alps, the Carpathians, and the Balkans serves as a buffer between the East and the West and helps preserve

* The reference is to André Chéradame (1871–1948), a French journalist and scholar long critical of German expansionism.

the peace of Europe. This is thanks to its international composition and thanks to the continual control that the Austrian working class is able to exercise over state policy. It is not the result of the wisdom or moderation of its ruling circles.

To be sure there are powerful reminders in our country of 1830 and 1855. We fight against them and we have no reason to have them appear to be smaller than they are. But they live on in the public opinion of the West beyond their time and extent. When Ferdinand Lassalle wrote in 1859, 'Austria is a reactionary principle', when he described Austria as an obstacle to the victory of democracy in Europe, and denounced it as a hindrance to its advance in the East, that was correct for the period before 1866 and between 1866 and 1905. For today, however, and for the future, it is wrong and the opposite is true. In this half century since Lassalle's Italian War, European democracy (naturally, far from being socialism) has taken and secured this barrier and [now] has to defend it. Austria is today the only conceivable bulwark against the absorption of the Eastern nations by Russian imperialism.

Today we live in a bourgeois world, not the one we want. An expansionist policy of Austrian capital – when and in so far as one begins or can be started – will encounter the passionate resistance of Austrian Social Democracy. This is not about approval of such a policy. In condemning such a policy of capitalist conquest we stand on one front with our English and French comrades. But we think the widespread tendency to hate and fear the Central powers is inappropriate and dangerous. Because in it also lays a danger to world peace, which we all, each in our sphere, want to serve.

Austria's Social Democrats now have the task not just of ascertaining Austria's geographically given standpoint – as a forward bastion of political democracy, of national autonomy, and of proletarian emancipation against the East – in respect to foreign countries, but they must impose it upon the country and its rulers as their strength allows. We have understood this, as we have forced the franchise reform on the crown and the bureaucracy. Although initially we were thinking of ourselves, we were well aware that the franchise reform in Austria must result in its continued pursuit in Hungary, and that the completed reform in Austria would support constitutional change in Russia just as, conversely, the Russian Revolution had given impetus to the Austrian reform. In the historical epoch in which the East awakens, the proletariat of Austria, which lies at the entrance to the East, has a mission there, which it can fulfil at home, because every achievement has a direct impact on the East. This connection must increase our power to act. It demands the greatest effort on our part, because we know that what we do for ourselves we at the same time also do for the awakening world.

The recognition of these tasks fires us up against the current constitutional order. Political democracy, national autonomy, social legislation – Austria needs them for its own sake, for the sake of its future, for the sake of European peace, and for the sake of the awakening East. But we have only made a start; we have established ‘a tendency!’ Bach’s administrative system still rules the land in the spirit of the concordat and assumptions of feudalism! And the country is chained to the social banditry of dictatorial and fraudulent rule, which shames democracy, strangles nations, and massacres the proletariat. Through its proximity, this domain of brutality and vileness threatens the democracy, the nations, and the proletariat of Austria. Here is our closest East! What a vast amount of work we have carried out in our regions in order to fulfil what the proletariat of the East and of the West rightly expects from us!

Karl Renner, ‘Sympathien und Antipathien’, 1909, *Der Kampf*, 2, 4 (January): 164–9.



Our Party Congress (1909)

As with brothers whose hearts cannot beat more excitedly or joyfully than when, after a long time fighting for survival separately and in every corner of the world, they finally gather together again at home and in harmony, so it is with the hearts of our shop stewards, who, from Vorarlberg to Bukovina, from the most northerly Bohemia to the Untersteiermark, have come together in Reichenberg under the banner of the party and under the paternal roof. Whoever has not had the good fortune to participate in this meeting can have no idea of what a wonderful and heartfelt, brotherly and joyful, pugnacious, enthusiastic, and determined mood dominated the proceedings. All of them, who for two years had grappled alone with many opponents in their districts and in isolated outposts in small towns, all of them now reported for duty in their army’s great camp, burning with desire to shake the hands of their co-fighters from everywhere, to tell stories about their own struggles, and to hear from strangers. Above all, they were excited about the prospect of drawing on joint consultations for new slogans and renewed fighting zeal for long, long months of new battles. This mood is inherent to all our party congresses, even if it has not been quite so lively and powerful at all of them. But this meeting commenced, grew, and came to an end like a thundering symphony of battle. Its basic message echoed in every report and in every

speech and repeatedly awakened the stormy accord of approval. Perhaps its purest expression came in Austerlitz's closing remark: 'We observe in Austria a combination and merging of all bourgeois elements, a blending together of all the bourgeois parties, who had fought so fiercely among themselves within each nation, into one bourgeois nationalist party in which, under the nationalist mask, it is easy to see the spirit of the provocateur. We must reckon with the development that gradually no one but workers will belong to Social Democracy. The bourgeois are no longer protectionists or free traders, they are no longer industrialists or small businessmen, they are no longer farmers or urban people, they are nothing other than a bourgeois hash for whom only the hatred of the working class gives life meaning. For Austrian Social Democracy, therefore, there is no other problem than that of making every worker into a Social Democrat. There are enemies behind us! There are enemies on all sides! There is only one defence against them: when we return to the sources of our strength, when we build up our organisations, sharpen our weapons, and make our press strong in order to show our united enemies that we are up to the struggle and ready to defeat them'. That is the keynote of our discussions: in the midst of the hostile confusion of bourgeois politics we must bind together workers of all tongues, make the worker battalions battle ready, and set them marching.

Austria is a badly constructed building with a thousand hallways; it is a sphinx with a hundred heads. Whoever wants to pursue politics here but does not have a clear sense of his own identity and goals must soon lose his way and even his consciousness. 'I do not understand how an Austrian can live, if he does not have the enormous privilege of being a Social Democrat. In Austria there is one element that is healthy to the core and in every drop of its blood; one element, that cannot be destroyed because it will not allow itself to be destroyed: the working class'. Adler's words opened the party congress followed by Pernerstorfer's apt remark: 'The state in which we work is a reality for us. We must resign ourselves to it, but our goals go far beyond the state, and our senses and thought go far beyond the state and the contemporary forms of [our] political life. Because we think and feel endlessly far beyond the contemporary state of things, something lives within us: the indestructible force which strives to move forward and upward. All states might go to the devil, but the people will remain!'

From the outset until the close, the united proletariat's energetic will to live, its fighting spirit, and its joy in looking toward the future dominated this congress. Healthy in its deepest core, clear and sure in its thinking, strong in its desire, and sweeping in its goals – that is the Austrian working class and, through its discussions here, it registered its essence on the pages of history.

It has asserted this essence amidst all the disorder and corruption of our bourgeois politics. 'The proletariat became conscious of its task as a class to such a high degree and with such clarity that neither oppression nor bribery, neither brutality nor lies can discourage us from our path'. It is unshakably loyal to the worldwide proletarian International. The hatred and jealousy of states does not touch it. Through comrades Ebert and Zeitz we have exchanged brotherly greetings with the proletarians of Germany, and while the bourgeoisies of all countries, even of constitution- and law-loving England, make peace with the Tsar, we have sent our greetings to his heroic victims, to the Russian proletariat, which is bleeding from millions of wounds. Ourselves tired from hard economic struggles, we assured the heroes of Sweden not only of our warmest sympathy, but also of new practical help. The great International soldiers on, as does the little proletarian International of Austria-Hungary. While the nationalist madness of the bourgeoisies tears the state and themselves to bits, while it sincerely attempts to draw the masses into its work of destruction, the German working class of Austria exchanges pledges of indivisible solidarity with Czech, Polish, Italian, South Slavic, Hungarian, and – for the first time – Bosnian Social Democrats. In the process all our opponents' hopes for a split in the working class come to nothing.

Reports and debates over the extra-parliamentary actions of the party manifest the same clarity. Social Democracy is not simply an apparatus for elections and parliamentary representation is not its substance and goal. Broad all-round understanding emerged that Social Democracy represents an economically and intellectually rising working class engaged in struggle. It represents the masses in action. The mass fights directly against exploitation in trade unions and cooperatives; it fights directly against intellectual and moral servitude through its educational institutions and its press; it fights for the healthy advancement of the class through the organisation of women and youth; and it fights for a share of nature and art through tourist, theatrical, and singing clubs. For all these partial tasks of the rising class, the political organisation is no more, but also no less, than the supreme level of its unity, and parliamentary representation is only one of its expressions, if also the highest.

The parliamentary report and the debates about it testify to the living truth of class struggle. Indeed, our representatives carry out this struggle in two directions, which make it harder to understand and have led some comrades to be critical. Every struggle requires a basis upon which it is fought out. First of all one has to have a secure parliament before one can achieve successes within it. On this point the bourgeoisie thinks differently. It no longer has to justify the bourgeois world in parliament, as it did decades ago. Now it just has

to defend it. In general the government feels confident that it can rely upon its conservative and anti-worker spirit. Therefore, it does not matter much if, after a fashion, governments see to bourgeois affairs in an absolutist way or with Paragraph 14, as long as the laws are directed against workers' economic claims, the taxes against their pocketbooks, and the state and church institutions against their intellectual and cultural emancipation. For its part, the proletariat lives, as described, its extra-parliamentary life and prospers through what one – without the usual additional meaning – can call direct action. But it needs the free tribune, constant control over the administration, and above all the means to defeat damaging laws and to implement good ones. It needs the parliament. To it parliament is not the promise or the fulfilment of its highest goals; nobody is saying that. But it is valid as one of the means of class struggle next to all the other direct means already mentioned. It is a preferred means, because it is oriented precisely on the machinery of the bourgeois order and on its binding law. It necessarily follows that we work with all our might for parliament, for its establishment and for its orderly operation, for its security and for its indispensability. At the same time, however, as soon as parliament is functioning, we are required and determined to fight on this ground as the uncompromising opposition to the dominant classes. All the comrades have not yet grasped this apparent contradiction. And yet it does not flow from any kind of revisionism, opportunism, or patriotism, or any kind of friendliness to the government or to the court. On the contrary, it flows from the class interest of the proletariat. Here, too, the party congress has established clarity by sanctioning our slogan: *For the parliament and against its majority; for the people's representation against the absolutist government, for the House based on universal franchise against the enemies of the franchise; for the opposition of the people against the ruling class, but not for obstruction, which pleases the enemies of the people and parliament.*

We have just as clearly said that by house of the people we do not mean the gentlemen, who sit today in the beautiful Greek-style building on the Franzensring, because this time they managed to stay on from the curial parliament. The people's house is the house of all adult men, who can renew it at the moment sitting representatives fail.

They have failed. The party congress has said this clearly and precisely. They have not fulfilled the clear vote of 14 May 1907, although they have been repeatedly admonished and warned by Social Democracy's delegates. The unanimous vote of all the nationalities had required it to ease the desperation of older workers, to seek national understanding, to ease the distress caused by inflation, and to initiate a more just system of taxation. That is why we fought for universal suffrage, so that the people can vote as often as necessary.

And it is high time that the people elect a new House. And it is especially time to submit the bourgeois politics of the past two years – the politics of national chauvinism, and the patriots' politics of war and hunger – for the judgement of the many proletarians, who last time still trusted the bourgeois candidates, and who had not seen through their heartless hostility to the working class.

The Party Congress did not close the session with a call for new elections for the sake of appearances and it did not treat the rising cost of food, tax reform, militarism, or the policy of annexation flippantly. Universal suffrage will become a resounding and healing force first through practice, through electioneering. The strife in parliament is only its rejuvenated counterpart; the electoral struggle is the living reality of class struggle. We are ready to let the people themselves speak. If parliament is mute, then the people are called upon to speak, the people as the totality of all the classes. We want to present our case to this totality. All who are oppressed and struggling for freedom, who suffer, and in their suffering, have hope, should hear our call: bread and work, peace, and freedom!

At its party congress the champion of the working class, Social Democracy, ready for the struggle and bravely facing it, has dealt with its most important task: [creating] *the unified and well-prepared political organisation of the whole working class*. The congress has not only provided a simpler and more unified constitution for the army of industrial proletarians, it has linked the ranks of women and youth [to those of] adult men and linked industrial workers and rural ones; through the determined, joyful cooperation of our trade union leaders, it has brought the political and economic organisations of the proletariat ever closer together. Unforgettable because of the content and spirit of its discussions, the effects of this Party Congress will not fade away. It has physically and intellectually re-equipped the Austrian working class for all the struggles that will come its way.

Karl Renner, 'Unser Parteitag', 1909, *Der Kampf*, 3, 1 (October): 1–4.



The Organisation of the World (1910)

Oh Mankind! How many storms, what great losses, and how many shipwrecks must distress thee so as long as thou, like a beast with many heads, strivest after diverse ends!*

DANTE

In 1889, at the celebration of the one-hundred-year anniversary of the Great French Revolution, the great worker-parliament of Paris threw down the gauntlet to the whole world of the ruling classes. It proclaimed the principled and unremitting struggle of the new world against the old and founded May Day as a new festival of unity.

Humanity has become a many-headed monster, a monster that is tearing itself to pieces. The oneness and community of all of those who bear a human face is shredded by the antagonism of the ruling classes. They have divided up the globe, the common homestead of all the children of humanity, into states, which are alien and hostile to one another. They have fragmented humanity, the great community of labour and culture, into nations, into states of different peoples, which arm themselves against one another with deadly weapons, with murderous canons on land and sea, with the aim of annihilating one another. [They have] partitioned the earth, dismembered humanity, and [let] human kindness and human empathy wander homeless on the ruins. But then the proletarians of the world opened their cottages and rooms; they opened their hearts. Then the Paris Congress elevated fugitive humanity, banned by the courts and palaces, to the throne and celebrated it with joyful greetings: The first of May should be a day to mark the brotherhood of all peoples against militarism and armaments for war, against hate-motivated chauvinism and nationalism; it should be the day of humanity's return.

Humanity today is disorganised, anarchic. Capitalism has torn up all the bonds of emotions among peoples both large and small. It has cut up arable land into parcels, into loosely connected pieces of property. It has dissolved the family, the patriarchal community, into individuals, individuals with their own property, and proclaimed competition among them, a war of all against all. In the same way it has separated peoples and their traditional territories from one another and made them just as sovereign as the owner on his farmland. It recognises no other relationship between the states of different peoples than

* The passage is from Dante's *De Monarchia* (trans. *On World-Government*, 1:16). This translation is by Rolbiecki 1921, p. 143.

that of the struggle of all against all, of looming war, and of endless armaments. *State sovereignty and private property are two sides of the same coin; they are the same falsification of indestructible truths.* The uncontested fact is that no individual, even if he owned a thousand hectares, can exist separate from all others, with no hindrances and no responsibilities. Just as uncontested is that no state, even if it controls half the globe, would have the ability to be sovereign if it autocratically and irresponsibly detached itself from the cultural and commercial community of all of humanity. An indissoluble community binds people to people and state to state and this community is becoming more solid and intimate every day.

What are the origins of this general disorganisation?

During the middle ages, Europeans had the beginnings of a universal organisation in the form of the church, in the papacy, and in the Empire. One lord in heaven and one lord on earth – that is how the popular masses envisioned the organisation of the world. But this never became a reality. It was based on collective intellectual servitude and on collective rule and exploitation, not on the freedom of all. Thus, the universal monarchy planned by the Pope, by the Hohenstaufens, by the Habsburgs and, finally, by the great Napoleon, collapsed. The peoples who rebelled against the universal monarchy had, indeed, demanded the unity of humanity to an even greater extent than today, but they wanted unity in freedom. For that they had to first detach themselves from the domination of the church and feudal lords. The people's striving for freedom received its comprehensive formula in the so-called principle of nationality: Every nation should have a state! The world should be a league of nations! This principle entailed a twofold demand: first the liberation from every form of supremacy, independence from any external domination, and second the overcoming of all internal fragmentation caused by the existence of petty states, and by the nobility, i.e., the numerous kings, dukes, and margraves, etc., who, since the dissolution of the medieval world, have divided nations among themselves. Unity and freedom of the nation was the slogan. Our ancestors, the socialists of that time, had also entered the lists with their man. 'A twofold ideal', shouted defendant Wilhelm Liebknecht at the judges during his trial for high treason in Leipzig, 'has influenced me since my youth; a free and united Germany and the emancipation of the working class, in other words the abolition of class domination, which is the same as the liberation of humanity. I have done all I can to fight for this double goal and I will fight for it as long as I can still draw breath. That is a duty!'¹

1 *Der Hochverratsprozess wider Liebknecht, Bebel, Hepner vor dem Schwurgericht in Leipzig vom 11. Bis 26. März 1872* (Berlin, 1894), p. 77.

The unity and freedom of the nation from the mouths of the old revolutionaries did not mean the separation of a people from the federation of peoples. It did not mean the domination of others or hostility and war against them. Nations should be united and free in order, as free and equal [peoples], to bind themselves all the more closely together. This same Liebknecht, who, elected as a young man to lead a corps of armed volunteers, helped to fight for the unity and freedom of his nation on the battlefield. This same Liebknecht is the first and most eager member of the International, the champion of the 'general, free league of nations',² and his national and international outlook is wed without contradiction: 'Workers of north and south, east and west, in the whole world, all of you who are exhausted and heavily burdened, the poor and excluded people for whom there is no place at the table of society, who create by the sweat of your brow the wealth that others enjoy, you all know that in spite of the border posts that separate you, your cause is everywhere the same, that your wants have the same origins, and that, consequently, the same means are required everywhere to end your suffering. Cast aside the national prejudices, which, to the advantage of your common enemies and your own disadvantage, up until now have driven you into hostile camps and too often into murderous struggles against your brothers. Unite yourselves under the banner of human love and throw yourselves with noble zeal, conscious of a higher common goal, as members of different army corps in one and the same army, as members of different parts of one great human family, into the work of common liberation!'³ Turning to the judge, Liebknecht asked, 'Who has the cheek to condemn this grand, world-redeeming effort? We stand before judges and jurors who claim to be Christians – didn't Christ himself turn to the poor? Wasn't one of Christianity's great accomplishments, in so far as it did not serve unholy state and class interests, that it broke through the petty nationalism of the Hebrews and replaced it with the idea of humanity in general or, expressed in more modern terms, the principle of internationalism?'

Meanwhile, a unified German free state existing in peaceful union with free nations was not created. With blood and iron the enlarged Prussia of the Hohenzollern kings was founded as the German Empire of capitalist exploitation. Bismarck began his domination with the Anti-Socialist Laws, while Liebknecht and Bebel landed in jail for two years as traitors.

² Ibid., p. 257.

³ Ibid., p. 262.

Capitalism made use of the national principle and falsely redefined the old formula: not unity and freedom of the nation in a federation of free peoples, but rather *the sovereign control of national capitalism over a closed economic area sealed off with protective tariffs, defended by armed force*, and populated with millions of proletarians who have no rights. That was the new national ideal! Large parts of the nation might be divided and lack freedom – the main thing is the closed zone of exploitation! It is all to the good when parts of other nations, e.g., Poles, Danes, and Frenchmen, fall under foreign domination! It is best when foreign regions overseas, populated by people of a different colour, are subjugated by the nation. Imperialism and colonial policy, dominion over foreign peoples, domination over foreign lands and seas even at the cost of a world war, the tearing apart of humanity, and the annihilation of other peoples – that is the national ideal of capitalism.

The old concept of the nation was an idea for the organisation of the world, for the peaceful arrangement of the one great human family. The new one means the struggle of all against all, anarchy, the disorganisation of the world. Humanity becomes a many-headed monster, a violent beast, and the world becomes an arsenal of murderous weapons.

The sovereignty of nations triumphs with capitalist property!

But in truth the national idea has been falsified, corrupted, and annihilated.

And in spite of all the triumphs of capitalism, in spite of all the triumphs of this so-called nationalism, socialism and internationalism are on the march! Humanity will not be denied, but the future queen initially comes into the world as a dutiful and mishandled maiden!

Instead of being national states in the old sense, the big states have become economic states and the *unification of large economic areas* is their foremost law. In this respect the idea of the national state has failed all along the line. The French Republic does not unite all the French (the Belgians, the Swiss, the Alsatians), but it does include the Moors from Algeria; the Kingdom of Italy leaves the Italians from Corsica, from the eastern Adriatic, and from Malta, and Tunis 'unredeemed,' but it seeks colonies in Africa. The German Empire includes neither the Austrians nor the Swiss nor the Baltic Germans, but it does include some Poles, French, and Danes and it dominates areas of East and West Africa peopled by blacks. Great Britain is not bound to the English speaking United States of North America, but it seeks to found a world empire across all seas and all languages in South Africa, India, Australia, and Canada. The key political principle is no longer 'every nation for itself', but rather the linking of nations in accordance with the needs of economic life.

Necessity breaks through. In spite of all chauvinism and all the teachings about sovereignty, it is becoming obvious that nations cannot live in isolation

and that economic and cultural commonalities force them together. The fact that they are dependent upon one another wins through in an emergency through *force and conquest!*

Social Democracy has long recognised this and stood for the free association, the free amalgamation, of peoples. It recognises the necessity of large economic areas and the need to tear down divisive tariff barriers. Therefore, we Austrian Socialists have always supported the unity of the Austro-Hungarian economic area on the basis of their free association, and we have rejected all calls for tariffs between them. Yet those were also demanded for individual crown lands! Here, too, the ideas and the material interests of the proletariat are fully unified. The capitalist class, on the other hand, is born to rule and to exploit. Therefore it cannot conceive of power without the subjection of others, of freedom without its elimination for others, and without its own isolation. That is why it is so difficult for it to carry out the unification of peoples without power struggles, without war, without conquest, and without oppression.

One can only reign above and against the others, but to be free all can live next to and with one another!

Today the principle of the state is the large, closed-off economic area. But a region is only partly closed and it is never completely sealed off. Along with all other states, it remains tied to the world market for an increasing number of its needs. Without the cotton from America, Egypt, and India, without the coffee plantations and forests of rubber trees, without the raw materials and food from all areas, and without the sale of its own goods in all countries of the world, no economic area can exist. All the world's countries are part of a community of labour; they are in fact tied together. But legally each state is completely independent, sovereign.

Free states, which do not recognise domination and exploitation, would easily complete the transformation of their factual ties into one of free association. The system of domination and of exploitation cannot do this: only he can rule who can do so over others. In this way humanity's factual ties lead to friction, belligerent conflict among its different parts, armed struggle over export markets, and military threats among rivals. And that is what is really frightening about contemporary developments. Humanity wants to become one and this bourgeois world under the domination of capital can only do that through war and conquest. Capital binds only through blood and iron. It prepares for a new humanity only through inhumanity! That's how it is in production at home as well as on the world stage. The proletariat of every country has the great task of taming the beast so that the beasts, unchained, do not destroy the whole world. To accomplish that the proletariat must be completely united in every country, a unified whole, a union!

In world politics matters are brewing that go far beyond the hitherto closed economic areas. A Central European economic and customs union is already being discussed, and even the chauvinist capitalists see the necessity for the whole continent to draw together against the economic power of the British Empire, of Russia, and of the United States. It seems as if the world is being capitalistically divided up between America, England, and Russia. Didn't Emperor Wilhelm himself say: 'Europe is too small to be divided'. The concept of the national state fails even for the big states and in its capitalist form. The world is pushing for a new organisation! Economic unity spans all mountains and bridges all seas. It does not halt at the borders of the national territories and throws all nations together.⁴

And if Liebknecht were still alive, wouldn't he have to expunge the unity and freedom of his people from his great double goal? And didn't the small nations and all peoples, who have only recently awakened, miss their century? Don't they have to now renounce their own national life? Because the state has become an economic state and the economy a world economy, do they have any other choice than to repudiate their own particular national existence?

The capitalist class, that strata that strives to dominate and exploit in every nation, may worry about that. It needs the state as an instrument of domination and the state of another nationality strips it of this possibility.

This is not so for the socialist, who fights against domination and exploitation and, therefore, also against the state. Nations existed before the state and they carry on in spite of the hostile state. As the Poles show, they will exist even after the state. And the principle of nationality has failed only to the extent that it wants to indissolubly bind the nation to the state. If the sentence, 'one nation – one state' lapses, if it has nowhere been realised historically, then the unity and freedom of every nation is still possible through *national autonomy*!

All members of a nation can be united in a free, democratic, and powerful organisation, without it being isolated from all other nations through the fetish of a feigned sovereignty. This organisation can fulfil its cultural tasks on its own and secure the nation's unique personality in the world.

But, conversely, doesn't this national autonomy cancel out the unity of economic life? Doesn't it fracture humanity once again? Doesn't that mean the failure of the grand, world-redeeming effort, of that higher goal, which had

4 Germans and Czechs not only work together in the Skoda plant in Pilsen, but also in the Pennsylvania coal mines in America.

eluded Christianity and was now pursued by socialism? If national autonomy would force economic and social separation, then it would be just as damaging to humanity as would national chauvinism.

Hundreds of men march in one regiment and in one protest march. They form one complete unit, *a union*, marching in step and singing the same marching songs. When they go into battle together, does each one cease being the son of a different father or a member of a different family? One body in struggle, many bodies in matters of family.

Hence, many people can form one body in economic and social struggle and yet enjoy *autonomy* in matters related to language.

They can and must! A factory owner locks dozens, hundreds of people in one plant. They are under his command and are harmoniously exploited without consideration of which language they speak. One factory wall, the one factory owner, compels unity in the process of exploitation; therefore the slaves of every workshop must defend themselves in unison.

A line of consumption taxes surrounds the city. At the same time the small shopkeepers usuriously squeeze the residents of all languages. The exploited can only mount an effective defence if they are united. The facts dictate unity.

All of the iron producers are united in one cartel; the slaves can only defend themselves in a union!

In so far as *a customs barrier and uniform laws* unify a modern, large economic area, the whole capitalist class is also unified and forces the working class categorically to unify in economic and social struggle. To divide themselves up, to split within the workshop, within the community, or within the branch, and to separate themselves nationally, would mean self-mutilation, it would be suicide.

Hence, union means total unity without differences at every level, i.e., total unity in every individual workshop, in every factory, in every branch, in the entire economic area, complete unity in the economic struggle for the social deliverance of the working class.

This unity is an economic compulsion. Under capitalist domination it seems to many people to be an *evil*. But in truth this intimate binding of all of those who bear a human countenance is the greatest thing in the world, the highest goal of the human spirit. Public spirit is greater than selfishness; the family of nations – humanity – is greater than a single nation. Humanity is the world's single, true sovereign.

Why should I not love the brother, who is exploited and suffers just like me, if he speaks another language? Why should the person, who is my brother at work, not also be my brother after work and at the hour of struggle? If we have to understand one another in the work place, because the exploiter wants it,

why shouldn't we be able to understand one another in the struggle against him? Social unity is not only possible and not only necessary, it is also a matter of course, it is expedient and good!

That is the great organisational concept of socialism. Just as no one ceases to be a member of his family if he demonstrates on May Day, anyone can form a body with his nation in matters of language and culture – that is national autonomy. Yet, in the workplace, in the city, in the branch, and in the state as a whole he is still a member of a united organisation, in which all adhere to the pledge: all for one and one for all in the economic and social struggle, the international union!

Recently some Czech comrades have turned against this double organisation. They also want autonomy in the trade unions and cooperatives; they want separate Czech organisations, which, responsible to no one but themselves, would make *sovereign decisions*. A split of the trade unions can only cause severe damage to the Czech working class and to the whole Austrian proletariat. If the unions split along national lines, are no longer organically linked, are responsible only to themselves, are not *duty bound* to help others, and are truly *sovereign* in relation to one another, then how are they still *international*? Of course the worker will always have sympathy for the [other] worker, [but] internationalism would become merely an *emotion*. Earlier, workers in a workshop had *felt* for one another, but that did not hinder the owner from oppressing them. They learned to strengthen that emotion by building a common *organisation*. They learned not only to feel, but also to fight and to sacrifice for one another. Only then were they strong. The Kaiser and the Tsar, two great sovereigns, also feel for one another, but that does not hinder them from arming against one another. Internationalism cannot merely be an emotion. As Jaurés put it, it must '*not be simply a resonant phrase, but a living action, a power that is real and ever alert*'. Economically and socially divided the Austrian proletariat becomes Dante's many-headed monster beset by many storms, losses, and shipwrecks!

Liebknicht's grand double goal, for which every other socialist has also sworn to fight as long as they still draw breath, can only be fulfilled in a double organisation whose one form establishes national autonomy, and whose other form establishes total economic and social union of the workplace and local branches up to national level. And soon beyond that! The time is coming, perhaps in the not too distant future, when the trade unions' branches will extend beyond the state's borders and will come together to form a world trade union – the sooner the better for the proletariat! National autonomy cannot follow that path. It is limited to those who speak the same language. This double organisation does not appear in places where the nation and economic area coincide,

as in the nation state. But they can and must gain ground in places in which many nations live together within the territory of a large state and economic area, like that of Austria-Hungary in particular. It presents itself historically, on the one side, as the purification and *fulfilment of the nationality principle* and of its separation from the capitalist state's dangerous falsifications, and on the other side as the preparation for *the international unification of humanity*. Thus, national autonomy casts aside the principle of sovereignty, of absolute control, and of isolation; it necessitates a double organisation, 'one for cultural tasks related to language, according to the nation, in which the personality principle would take effect,' and the other for the tasks of technical culture, which would be built up purely within the territorial framework.⁵ In addition, national autonomy requires territorial union in economic and social affairs. National self-governance is not, therefore, exclusive, but offers the full internationality of economic and social action. People speak various languages, but their hands control the same machines, they consume the products of the whole world, such as coffee from the tropics and wheat from Argentina, they wear the same cotton from America, Asia, and Africa and the call or coercion of capital leads them far across the sea together into the same coal mine or to the same plantation!

But the proletariat of all tongues must, in matters great and small, be especially united in *social action*! In the same workshops in Brünn, Pilsen, Vienna, and virtually everywhere else German and Czech workers face the same capitalists! The workers in the Skoda plants in Bohemia and in Donawitz in Steiermark face the same iron cartel. In Bohemia and in Tyrol they unite together in consumer cooperatives against the same agrarianism. Across the states and the seas is the same solidarity of interests: Every Saturday, Austrian, German, and French workers receive wages in coin that becomes devalued, that amounts to less and cheats them all, because cheap Negro labour in the Transvaal devalues gold. They have an interest in the Negro being paid as well as them! And not without reason have Social Democratic congresses demanded from participating members not only that they commit to an internationalist outlook, but also pledge to take international *action*.

National autonomy – social union! That is the formula, which the proletariat put in the place of the old nationality principle, in place of the new national imperialism, and in place of the capitalist class's fiction of sovereignty. In the reformation of the world that is approaching, and especially on the day of our victory, this formula, borne by the powerful will of the proletariat, will

5 Karl Kautsky, 'Nationalität und Internationalität,' p. 35.

gain significance for Europe. 'The same problem that applies in the shaping of today's Austria will emerge for the shaping of this new commonwealth. The double organisation by nation and by economic area will form the solution of this new problem. In this respect, Austria may become a model: all ideas supported by Austria's socialist thinkers and all the experiences that Austria's proletarian organisations gather, will enrich the rebuilding of the whole of Europe, yes of whole spheres of European culture'.⁶

The proletarian international has given us Austrians a lofty task. It must inspire us and it must fill us with a sense of the greatest responsibility. Fate has heaped virtually all the contradictions of the world upon this country and entrusted us with organising this small world. We will learn from that and teach the comrades of all countries how the world writ large can be reorganised. Capitalism and nationalism have disorganised the world and made the world order into a problem. No less a person than Kant⁷ described the achievement of an international order of the civilised nations as the greatest problem for the human species, an undertaking forced upon us by nature. Our Paris Congress put the issue to the workers of the whole world and they joyfully took up the idea. On the first of May, twenty years after Paris, workers from the snowy fields of Siberia to the Gold Coast of Africa, from the land of the midnight sun to the Cape of Good Hope, embrace the idea of workers' brotherhood and freedom of peoples, of national liberation and of international action, and of the social unity of the masses. The *Communist Manifesto's* message of salvation – Workers of the world unite! – is stamped indelibly in the hearts of the proletariat, of the International Workers Association and of the Paris Congress. No power in the world will tear this from your hearts. On this indestructible ground a new world will arise: *the world of work and peace!*

Karl Renner, 'Organisation der Welt', 1910, *Der Kampf*, 3, 8 (May): 337–8.



⁶ Ibid. p. 36.

⁷ Kant, *Zum ewigen Frieden*. Compare to Walter Schücking, *Die Organisation der Welt* (Leipzig, 1909).

The Reckless Regime (1914)

The Reichsrat is prorogued, the representatives are locked out, the legislative process halted, the will of the people dismissed, and the absolutist government rules alone!

The system of distributing public power has been destroyed and constitutional principle eliminated. Sacred laws summon the nation as a whole, its classes, its professions, and its parties, to engage in discussion and to reach decisions that express the people's will clothed in sacred garments, in the 'majesty of the law'. That was the life's work of our fathers and forefathers: no recruits, no taxes, and no loans without the agreement of the people! And yet, no! Stürgkh calls his mechanical secretary, tells it to take some paper out of the draw and to write as follows: 'On the basis of Paragraph 14 ...' The drawer replaces the people. Mechanical secretary number 516 becomes the chosen one of the people. A breach of the constitution!

A coup? A breach of the constitution? Something more than that? And not a single person gets excited, alters his daily routine, his normal schedule, or his mood. No one expects or fears anything in particular about this event. Journalists fill up a few columns about it, but they are glanced over without interest. Frau Caillaux's murderous act,* the lottery drawing, and the latest joke in *Simplizissimus* – all that is much more riveting!

Our political conscience is dead; our inherent interest in public matters is dead. Every killing creates a sensation and whips people up – only this one does not. That is because it has become routine. *Obstruction* is the killer. It bears the historical guilt for the deadening of our conscience, for the paralysing of people's spirit. But its misdeeds, which return regularly just like hay fever in summer and cold feet in winter and always with the same result, Paragraph 14, stick like a shadow to the fleeing culprits and have become the most banal things in the world.

After a few days or at most a few weeks of obstruction, as if it were shooing away an annoying fly, the government waves its hand contemptuously and [imposes] months of happy absolutism! A parliamentary majority is no longer required to make decisions and to administer; there is no more minority to provoke and to act as a check; there is no government with the weighty duty

* Henriette Callaux (1874–1943) was a socialist and the second wife of former French Prime Minister Joseph Callaux. When Gaston Calmette, the editor of the popular *Le Figaro* newspaper, threatened to publish love letters she had written before her marriage, she shot him down in his office on 16 March 1914. The scandal and her subsequent acquittal on grounds of emotional instability caused a sensation and heated political debate.

to think, to look ahead, and to lead; and there is no representation of the people, that could set limits to the licentious covetousness of the military, of the bureaucracy, and of the clergy, and secure the most basic social assistance for those in daily economic need.

A desk drawer, a typewriter, and a few sheets of paper – that is Austria's new governmental apparatus!

There was a time when people of all social strata would have found such a situation pitiful and dangerous. In those days one would have viewed obstruction as either a terrible ailment or at least as a symptom of a severe political illness, and given some thought to how it could be healed. Some believed it to be a nasty distortion of parliamentary behaviour, which could be eliminated through a procedural reform. Those were the Grabmayrs* in the Upper House and the Christian Socials in the Lower House. They revelled in Tisza's prescription.** Others viewed it as a symptom of the severe national chaos and the powerless condition of individual nations, which, thanks to Schmerling's stupid system of representation† leaving local, district, and state governments solely dependent on the Reichsrat, tried to extort equal rights there. They demanded the continuation of the promising work on the constitution begun in 1905. Both [groups] took the constitution and obstruction seriously and feared the continual dissolution of this state due to obstruction. Such fools, who worry about the state in such an unauthorised way, are greeted today by the superior smiles of those the state has paid well to think for them, and who on the basis of tradition, view their appointments in themselves as common sense and their payment as a certificate of competence. They say: obstruction is simply a good opportunity!

Constitutional or unconstitutional – these are simply two legal 'alternatives:' Paragraph 11 or Paragraph 14. One is like the other! Paragraph 11 means competent cooperation of the people's representatives. Paragraph 14 means justified elimination of the people's representatives. Paragraph 11 means, 'eat, bird!' and Paragraph 14 means 'or die, bird!' That is the simplest choice in the world. But

* Renner is referring to Karl Grabmayr (1848–1923), a long-time conservative politician from Tirol who served in the Upper House from 1907–13.

** István Tisza, Earl of Borosjenő and Szeged (1861–1918), was a leading Hungarian politician and served as Hungarian Minister President from 1913–17. He supported reforms to the parliamentary order of business as a means of ending the obstructive tactics of various groups.

† Anton Ritter von Schmerling (1805–93) was a leading jurist and politician who, as Interior Minister between 1860 and 1865, was a key figure in the creation of the constitutional order.

there are things that are not so easily or quickly swallowed, such as the Bosnian railways or the increased number of recruits. How convenient that a foolish act of obstruction chases the bird into the snare. What a wonderful opportunity! Quick, get a few sheets of paper: ‘on the basis of Paragraph 14’.

And the bourgeois parties, Christian Socials, German Nationals, and the Poles are out in front. The leaders of parliament, responsible to the people and to history, look on. It is not at all true that obstruction is supported by the current rules of procedure. The President [of the Reichsrat] can simply brush it aside on the basis of his current authority. And when he cannot, then it has to be overpowered. In 1909 a powerful and determined effort to obstruct was resisted and beaten on the basis of the old procedural rules in a fight lasting three days and three nights. This time one did not even make an attempt! To the bourgeois parties, as to the government, this round of obstruction must be an opportunity. Otherwise, this cowardly running away makes no sense. We are very close to the point that these majority parties possess neither the courage to deny the Bosnian railways to the government nor to be responsible to the voters. Without securing the local railways in their own state, they don’t dare approve money for railways abroad – yes, for the Austrian parliament Bosnia is a foreign country. And the proposed law on the local railways needs time just like any other legislative horse-trading. But no honest German man and no Polish patriot dares to get his back up against the government or even to default. They feign cowardice in the face of obstruction, whereas the latter impels two kinds of cowardice: one in the face of the people and one in the face of the government. And, thus, they calmly can hide their true motives: they have become so apathetic in the midst of the obstruction of the electorate that the latter does not even go to the trouble to research the motives of its representatives. The electorate says to itself: Parliament is ruined once again – what does it matter?

The loathing of this kind of parliamentarianism and this type of governance does not relieve us of the duty to study how all this is possible. We have a constitution after all! Around the world it is asserted that without a constitution the nation cannot exist! Before our very eyes whole peoples are fighting bloody battles and revolutions for a constitution and for constitutional rights! Hence this parliamentary nihilism can only spring from the most pernicious self-delusion.

Lassalle taught us that a written constitution in itself is nothing more than a piece of paper. There was a time when this piece of paper was, like a fetish, regarded as something holy, until gradually one came to grasp its essence as tawdry paper. The true constitution of a country, according to Lassalle, is its

real power relations. And these real power relations break through again and again and destroy the paper pretence.

The governments of the Baden epoch, completely helpless in the face of the parliamentary obstruction that suddenly broke through, capitulated to it and came to an understanding with it just like the Hungarian government did at that time it faced the Independence Party's obstruction. The state authority over here and over there was neither aware of its superior power nor did it organise it. Koerber was the first who proclaimed the state authority's awareness of itself and told the obstructionists: 'If the people's representation fails, then the state will take back the power'. For four years he sought to combat obstruction in the Austrian parliament and on the military question in the Hungarian parliament. He did not take it lightly and he did everything he could to uproot it from the people. He wanted to buy it off with millions for mountain railways and for canals, to outbid it with old-age insurance, and to overwhelm it with hundreds of projects. All governments after him live from the drafts that he had untiringly worked out and put before parliament. He wanted to draw the parliament into the work, to infatuate it with creative action. This was wholly in keeping with his spirit and his disposition.

He failed and obstruction continued.

The Russian Revolution of 1905 sent its waves over the border; the country, in an uproar as a result of bourgeois obstruction, moved in a revolutionary direction, the proletariat extorted a parliament based on general suffrage. The state authority gave in. For a time it seemed that the concern about obstruction in Austria had passed. But in Hungary the period ended with the deep humiliation of handing over power for two years to the Independence Party. The Beck government strove for national peace by summoning the larger nations to participate directly in the government. The co-governance of the national parties would be the price of eliminating obstruction.

Otto Bauer has already illustrated in this magazine how the counterrevolutionary movement in all of Europe allows governments to grow stronger and how, especially the annexation crisis threatened war and strengthened the military. Aehrenthal had carried out the annexation [of Bosnia Herzegovina] against [the objection] of half of Europe based on bayonets planted in the South and on 'the shining armour' of allies in the North. Austrian militarism, humiliated for over a decade in Hungary and kept short in both halves of the Empire (Schönaichs: 'The army is withering away!'), began to wake up. It cultivated devoted supporters in the pliable Bienerth over here and the headstrong Tisza over there. State power and rule by the sword, the state's needs, and military arms now coincide. Parliament is only there to approve the number of recruits and taxes. The continuation of work on the constitution, on the expan-

sion of rights, on economic development, and social policy – until very recently at least theoretically recognised as tasks of the state – are now regarded as matters that are no longer relevant. That Austria and Hungary have to solve difficult national problems and that the Empire becomes increasingly problematic as long as they are left unresolved is no longer thought about. Ministers who would have ideas, people like Koerber, who preaches making the economy a priority, and Beck, who strives for national peace and social reforms, have become unacceptable. A minister, who might be plagued with any kind of idea, no matter how modest, is regarded as unusable. The total dearth of ideas is the highest ministerial virtue and such paragons of virtue like Bienarth and Stürgkh are just right. They just have to show off and declare: We demand this many recruits, this many dreadnoughts, and this many million [kronen]! We demand them by a specific date! How that should be accomplished is the parliament's problem. We don't advise. We don't lead. We demand.

One remembers how, not long ago, ministers made an effort to flatter, to trick, and to wrest approval from parliament. How much witty eloquence or diplomatic skill did Koerber and Beck, respectively, squander to that end? Stürgkh's poor predecessors, active, tireless, passionately determined, and industrious, left office in disgrace in spite of so much talent and effort. No, no one can ascribe such statesmanlike aberrations to Bienarth, so the sunlight of [royal] favour still shines upon him. What characterises the present is the automatic, naked, brutal profession of faith in state power and the requirement that there be no bothersome ideas and humiliating hassle. If the military is adequately taken care of, then there isn't much more to do. The Constitution is fine as it is. The old, pure dualism of 1867 will eternally remain in place. The Empire is a German-Hungarian state to which the other peoples must submit. The Constitution is in order. It would be best to leave the right to associate, the rights of the press, and the system of criminal law as they are. It would be most expedient not to alter trade policy, and social policy is no longer an issue and costs too much money. Who wants to think about cripples and old people as long as one has not yet fully armed the youth? The story of the school system is already played out; the main thing is to keep the people God fearing.

Here we have the government's whole programme in a few sentences. It is a programme of classic simplicity, of burning clarity, of overwhelming certainty! And so beneficent! It delivers very nice interest to the banks, fat bond profits, and an increase in the value of Skoda stock; it provides cartels with freedom to grow, reliable gendarmes to business, and reliable judgments in extortion cases; it allows big landowners to calmly enjoy tariffs and gives the petty bourgeoisie the freedom to carry out the most fantastic guild experiments. The dominant classes are satisfied. What challenges remain?

Künberger described the basic principle of Austria's maintenance long ago: 'The men sleep with their women, the women bear children ...'

Recklessness – that is at bottom Austria's constitution. Recklessness is our state's unwritten basic law. A reckless government, a reckless majority, and reckless obstruction are shaping Austria's fate in its most decisive years. Today we act as if everything were in order and nothing was missing except bayonets and dreadnoughts. But meanwhile, all of the beams of the ship that is bearing us are gradually getting loose and [the ship] is quietly falling apart.

Who is concerned with a breach in the Constitution? – In 1865 we wrote, as Belcredi's so-called Ministry of the Three Counts suspended the Constitution, that we were living in a most secure time of peace and could allow ourselves such a pleasure. A year later the Empire was overrun by war on two fronts and Königgrätz precipitated the division of the Empire into two states, Austria and Hungary, while the Italian region was lost.

I don't know which statesman came up with the idea that states that successfully go to war must have completed their constitutional work earlier, in peacetime, because in the hour of danger it is too late. The name of this man does not interest us Austrians, because he could never have become a minister here.

The whole world to our East, from the Russian to the Montenegrin border, is reordering itself and its peoples are asserting themselves. It can no longer be doubted that Russia is becoming a constitutional state. Twenty years ago the thought of such a possibility would have kept an Austrian statesman awake at night. This was because, at that time, it was deemed of primary importance for the monarchy's security that absolutist Russia, one of the dominant Slavic nations, not be dangerous to the Austrian constitutional order of national states. If development changes matters and makes Russia into a multi-national constitutional state – and this is what one would have said twenty years ago – then it nullifies Austria-Hungary's reason to exist.

An illustration: we have recently learned from a trial in which poor, Upper Hungarian peasants, whom we label Ruthenians but the Russians call Ugro-Russians, were accused of high treason and Bobrinsky, the Russian Count,* appeared as a witness. With the threat of barbaric punishment one drummed into the heads of these peasants, who were helpless and without rights, that the Magyars do not allow them to be Russians. And with that, one believed, the matter was closed.

* Vladimir Alexseyevich Bobrinsky (1868–1927) was a leading Russian nationalist in pre-1914 imperial Russian politics. He supported the Russification of border areas such as Ukraine.

Conversely, one hears that the Austrian Ruthenians call themselves Ukrainians – taking their name from a large country dominated by the Russians, and proclaim Ukraine's independence. That would divide contemporary Russia and split the hitherto united Russian nation.

It might not occur to the 'Ugro-Ukrainian' in northern Hungary to associate with his Galician brothers, but he would doubtless be tried for agitation against the unity of the Magyar nation.

I'll leave open the question of who is right, the Austrian, the Hungarian, or the Russian government, Kost' Lewicki* or Count Bobrinsky. Most probably this legal question will not be solved through magazine articles but simply through war. But one thing must be clearly acknowledged and expressed: A state that leaves such issues unresolved for decades provokes its neighbours to go to war against it and simultaneously makes itself incapable of winning the war.

This case from the recent past is not so pressing and is not the most important one. It merely serves as an illustration. There is trouble elsewhere.

Romania, suddenly strengthened, self-aware, and also alienated from Austria, includes the Siebenbürgen, which forms a half circle [within Austria-Hungary] long inhabited by the oldest and purest Romanian tribes.

Democratic and powerful Serbia is inhabited by the same people that also live in Bosnia, in South Hungary, and in Dalmatia. Here, however, they are partly misruled by Austria, partly by the Hungarians, and partly by both together.

Among all the West and South-Slavic peoples the Czechs are the most numerous, the richest, and the most cultivated. But while the smallest of the Slavic peoples have achieved their own independent states, the Czechs have not yet even received an assembly of their own. Here I am not investigating the degree to which they themselves are responsible for this situation. But, given developments in the Balkans, this fact must have ten times the importance for the Empire today than it had in 1890 or 1897. And only the most abysmally reckless person can ignore how popular that is today.

The government's authority, based on hundreds of thousands of bayonets, is indeed, at the moment, the organised power. The parliament in Budapest, bought en bloc, is also an organised power, as is the Austrian bureaucracy with the formal legalisation of its authority granted under Paragraph 14. No doubt the organised Austrian parliament is unable to exercise power over the

* Kost' Lewicki (1859–1941) was a lawyer and Ukrainian politician and a leading co-founder of the Ukrainian National Democratic movement. He played an important role in defending Ukrainian interests within the Austro-Hungarian Empire and afterward during the Russian Revolution and in the interwar period. Renner is using the Polish variant of his Ukrainian name Levytsky.

government through national chauvinism. Nonetheless the nations remain intact as concrete entities in spite of all the legalistic and statistical arts. *They were there before this state and they will be there after it!* All the tactical finesse of Hungarian constitutional law and all of the parliamentary back-room tricks of Austrian parliamentarianism will not impair their existence.

And so the game of hide and seek doesn't help the rulers. As the Russian Revolution and the Balkan war have made clear, it is precisely in military involvement or in a revolutionary upheaval that all the apparently extinct craters explode. And then there is no time for peaceful constitutional work!

Austria-Hungary faces its moment of truth. According to its real conditions, according to its real power relations, Austria-Hungary is a multi-lingual, international form of state. It has a final chance to give legal expression to these facts, to address the existing reality, and to give expression to it in the constitution. What the rulers don't have the foresight to carry out in peace today, the sword will carry out against this state tomorrow. And it is for exactly this reason that Austria and Hungary today need statesmen with exciting ideas and the ability to act. Count Berchtold, Count Stürgkh, and Count Tisza, three Counts, rule these lands today and their short-sighted policy celebrates cheap victories over the Hungarian Constitution, which was hounded to death, and the Austrian Constitution, which was reduced to an object of ridicule. Except for the paragraph on servitude in Budapest and Paragraph 14 in Austria these two constitutions are dead.

If a prize were to be given for the most refined and most rapid way to govern an Empire into chaos at the moment when the strongest force is necessary to save it, Stürgkh and Tisza would probably win. But the League of German Nationalists could claim the prize of driving German Austria into a destructive catastrophe in the most short-sighted way. This is because nothing accelerates Eastern European confusion like this systematic abduction of every conceivable solution.

The leaders of German Austria have negotiated with the Czechs for five years, for five years they have put Bohemia's representation on ice, as one says, in order to starve the Czechs out and make them pliable. Gradually the longing for peace led to a breakthrough. Representatives from industry, from trade, and from agriculture demanded a peace agreement. The paper-thin wall was broken through and nothing else appeared to be missing. A halfway competent government would have seized the psychological moment and quickly worked out a settlement. But the government lacked what is essential to the spirit of leadership: the feeling and the inspiration of the given moment. The bourgeois parties lacked the courage to publicly stand for peace and to stand firmly against the first opposition. Overnight the agreement fell apart and a full five

years were wasted. The entire profit of so much effort and sacrifice amounted to disappointment, embitterment, and despair on both sides.

But the sibylline books are getting more expensive every day! The nationalities problem is for us the same as the Macedonian problem was for Turkey, but on a higher level and to a more sensitive degree. Ah, but Turkey always had time, so much time, until it, a European great power, one morning was defeated and driven out of Europe by a coalition of dwarf states. Oh, yes – Austrian governments always have time and a malevolent dabbler like Napoleon could claim that Austria is always one idea and one army too late. How many five-year periods do you think Austria still has? A temple of honour for Count Stürgkh and Prince Thun, who have missed this opportunity and wasted another five years.

And a temple of honour should be dedicated to those wise statesmen who have so successfully worked to use up their last and most recently acquired capital in support of the state. As a state, Austria recently had carried out a great conquest among its citizens: through electoral reform the state had reconciled with them. After the desolate wasteland of the post-Baden chaos everyone began to hope again, one began to believe in Austria again. The co-creator of electoral reform, Beck, guarded this faith in parliament as the single, large, and community-based institution of Austria's peoples. He strove to make it into fertile soil for unified work that would accomplish something for everyone and provide the working class above all with old-age insurance! A golden fleece to Minister President Bienarth, who exhausted this suspicious parliament, deadened its hopes, intentionally undermined the reputation of the people's house, and began to squander the substantial trust the masses had in this state. Now Stürgkh is wasting the remainder and so let's give him a temple of honour, too.

Old Frankish conceptions regard the personal sacrifice of the citizens as the strongest foundation of states. Naturally, that is wrong – barracks and arsenals are. But the question still lingers: What are the ethical roots of our state? To the nationalist middle classes the lack of progress toward a reasonable constitutional order and toward a tolerable demarcation of the national spheres of power has been a constant cause of irritation and frustration. So, is the state seeking to anchor itself in the hearts of the nationally tolerant or directly international popular masses? Even for the classes, however, the state has not had much to spare in recent years and for the most numerous class, for the proletariat, there hasn't even been old-age insurance, which has existed in the German Empire for twenty-five years!

Before Bienart one had always connected and compensated so-called people's necessities with the respective requirements of the state, and Koerber

had made a system out of that: 'The state hears its citizens', 'Economic policy is the best power policy', and 'The actively advancing constitutional state,' were his favourite phrases. Since Bienarth, the phrases have been different: 'The requirements of the state (army, navy, taxes!) – those are the people's necessities!' Thus, the systematically cultivated impoverishment of parliament and the economic and social starvation of the masses became simultaneous; economic paralysis and social decline go hand-in-hand with complete political degeneration.

The wise men of the state swell with satisfaction over military achievements and the political superiority of the bureaucracy over the people's representation. They don't see the total destruction of the people's spirit, which has occurred systematically since the franchise reform. They don't have any notion of the most serious and inevitable consequences that threaten them. As long as they have writing paper and mechanical secretaries, they want for nothing.

But classes, like nations, remain and against these two remorseless historical factors the absolutism of Stürgkh and Tisza is only a sheet of paper with which one wants to cover the crater of a volcano. Against them even the strongest military can do nothing other than attempt to surround the volcano with a fence made of bayonets to dam up the lava. These experiments allow a few ministers to pile up a few more years of service. But they only accelerate the historical decision.

How long will we have to bear this thoughtless regime and this reckless system? How long must we put up with this interchangeable game of foolish obstructionism and unscrupulous force? One cannot predict. But what is certain is that the peoples don't have as much time as our governments and that the patience of the masses has an endpoint. In missing that, states and state forms have usually paid with their existence.

Karl Renner, 'Das Regime des Leichtsinns', 1914 *Der Kampf*, 7, 7 (April): 289–95.

PART 2

1914–20: War and Revolution



Introduction to Part 2

The World War scattered many of the Austro-Marxists far and wide. Still an Austrian citizen in 1914, Hilferding served for most of the war as a doctor in the Austro-Hungarian army on the Italian front. From his military posting, he published articles critical of the pro-war majority (including Renner) and in support of the growing opposition, especially among centrist political leaders such as Hugo Haase, one of the SPD's Co-Chairmen, and Kautsky. By the time he returned to Berlin in November of 1918, he had joined the USPD and soon became a member of its executive committee and chief editor of the party's flagship daily, *Die Freiheit* (Freedom). As a prominent leader of the USPD, he participated in the heated debates about the political form the revolution should take and about the socialisation of industry. He also attempted to steer the party along a middle course between the SPD, which wanted to limit the revolution to the parliamentary sphere, and the KPD, which aimed to split the rapidly growing USPD, absorb its members into its own ranks, and lead them in efforts to overthrow the new republic. Following the Communists' success in splitting the Independents and in the face of a resurgent nationalist right, Hilferding became a supporter of reuniting the rump USPD with the SPD as a means of shoring up pro-republican forces. The merger occurred in 1922.

The war also cast Otto Bauer far afield. A reserve lieutenant in the infantry, he was captured in November 1914 on the Russian front and sent to Siberia as a POW. Two and a half years later, at the behest of SDAP leader Victor Adler, who regarded Bauer as his successor in the party leadership, the Austrian regime arranged for his exchange after the overthrow of the Tsar. In the summer of 1917 he travelled back to Austria via revolutionary Petrograd, where he witnessed events that radicalised his outlook, though he never became an outright supporter of the Bolsheviks. In September, upon his arrival in Vienna, he immediately resumed a major role in the SDAP. A month later, at the first wartime congress of the party, a newly invigorated left opposition called upon the party leaders to undertake energetic actions for peace, including mass demonstrations, to recognise the principle of class struggle, to reject government budget proposals and any SDAP participation in coalition governments with the bourgeois parties, and to reject nationalist and patriotic currents on the party's right wing. At the same time, however, the left failed to pursue a tough critique of the leadership's failure to resist the war in 1914. The leadership's acceptance of most of the left's demands – which did not go much beyond pre-1914 party positions – eased tensions in the party and diffused the possibility of a recurrence of the split that had occurred in Germany.

Bauer became the leader of the party left, but he did not argue in favour of a direct confrontation with the state. Indeed, the left's language might have been more radical, but it was in basic agreement with the party's right that such conflicts should be avoided. In January 1918, as workers frustrated by stalled peace negotiations with revolutionary Russia and by increased food shortages launched mass strikes in arms factories across the country, the SDAP, which had done nothing to promote the action, put itself at the head of the movement to rein it in. Instead of driving the movement forward against the state, the SDAP negotiated an arrangement with the latter that ended the strike and restored order. But there was no halting of the Empire's disintegration. Despite the Central Powers' victory over Soviet Russia and the imposition on the latter of the draconian Treaty of Brest-Litovsk in March, Germany and Austria-Hungary were unable to fend off military defeat and internal collapse. By late October 1918 breakaway movements were underway across the Empire as one region after another declared its independence. With the departure of the last Emperor, Charles I, and the succession of all the Empire's myriad territories, Austria emerged as an independent republic of six million German speakers.

On 12 November the Austrian Provisional National Assembly, which consisted of the parties of German-Austria (SDAP, Christian Socials, and an alliance of other German-national and liberal parties organised in the National Association) created a new Council of State consisting of 20 representatives from all three parties. The Council then created a Provisional Government dominated by the Social Democrats with Karl Renner as Chancellor and Otto Bauer as Foreign Minister. Given the monarchy's demise and the radicalisation of the workers, the Assembly saw the SDAP as best placed to manage the peace and the transition to a republic. The legitimacy of the Socialists' leadership was confirmed in the February elections to the Constituent National Assembly in which the SDAP emerged as the largest party with 72 seats, the Christian Socials won 69, and the remaining parties 29. The Social Democrats agreed to share power with the Christian Socials, but remained the dominant force.

On paper, Renner and Bauer represented opposite poles of the party. During the war Renner had remained in Vienna and become an outspoken supporter of the government and wrote a series of essays attempting to justify the Burgfrieden and the maintenance of the Empire. In his view, 'the renewal of Austria can only be the work of all nations and classes' and all had an interest in its success.¹ To that end he devoted great effort to developing proposals for

1 Quoted in Kulemann 1979, p. 183.

thoroughgoing reforms of the imperial administration. Social Democracy, Renner held, needed to represent the common interests of the various social groups and not just working-class interests.

As leader of the left, Bauer, for his part, had reemphasised the class standpoint, and in 1918 had promoted a solution of the national question that would have granted *de facto* political independence to the Empire's various nationalities while maintaining its economic unity. Now, in the wake of the Empire's demise, both men found themselves sharing power in a situation that revealed each of their proposals as chimerical. As Renner observed, 'The new state had taken over a field of ruins'.² Not only was the political unity of the Empire destroyed, but the economy, too, was shattered as each new independent state isolated itself from the others. Cut off from 80 percent of its former economic hinterland, serious food, fuel, and raw materials shortages plagued the new country. As radical working-class revolutions swept across Hungary and Bavaria and working class unrest grew at home, the new government simultaneously had to negotiate a peace treaty with the Entente.

Between the autumn of 1918 and the breakup of the coalition in June of 1920, the SDAP-led government had to make hard decisions at great political cost. In September of 1919 it was forced to sign the harsh Treaty of St. Germain, which required Austria to assume responsibility for the Empire's guilt for unleashing the war, required the ceding of substantial German territories to surrounding states, and demanded the payment of large reparations to the victorious powers. In addition, the Entente forbade Austria from unifying with the new German Republic. As Bauer's biographer, Ernst Hanisch, has noted, this action undercut 'the heart of Bauer's foreign policy' because Bauer did not think that socialism was a realistic option for an Austria that was detached from its former economic hinterland and was now geographically, economically, and industrially isolated. With his policy in ruins he resigned from the Foreign Ministry in July 1919 and focused his attention on the party.³

During the coalition's tenure, Austrians debated the future form of their state, the role of workers' councils, which had arisen following the strike wave of early 1918, and the degree to which industry should be socialised. In the end, the government was able to carry out a number of substantial political and social reforms. These included the introduction of the eight-hour day, paid vacations, and unemployment insurance for most non-agricultural workers, a ban on night work for youth, legally guaranteed collective bargaining, the cre-

² Jelavich 1986, p. 154.

³ Hanisch 2011, p. 157.

ation of an arbitration system, and the securing of workers' councils in the factories. This was not socialism, however. As occurred in Germany, the Austrian left was not strong enough to make serious inroads against private property by socialising industry and it could not impose a socialist constitution. The document passed in 1920 rested on fundamentally liberal principles. Thus, socialism remained a distant goal and the SDAP committed itself to the parliamentary road to its achievement.

Regardless of their political differences, all the Austro-Marxists remained united in their belief that the Bolshevik model did not apply to Austria. Although they were sympathetic to the Soviet experiment, regardless of whether the matter applied to domestic policies or efforts to revive the Workers' International, all of them rejected the use of terror in political struggle and Communist demands that workers' organisations everywhere subordinate themselves to the decisions of the Communist International based in Moscow. On this matter they remained consistent until their political defeat.

Friedrich Adler

Unity or Threefold Division in the International? (1919)

The bitter knowledge that the first decisive defeat of the World War was suffered by the Socialist International underlies its meaning today more than any other issue pertinent to it. The facts speak clearly. From July 1914 until February 1919 there has been no meeting of the International Socialist Bureau. For four and a half years the International has been completely incapable of action. Even more indisputable is that the guilt for this situation lies with the socialist parties in many countries who cooperated with the politics of war as it began. Indisputable evidence is: the *Zimmerwald Conference*, which created a front against these politics of war, was able to make these decisions *during* the war. But even the Zimmerwald Conference was a negative movement in its rejection of the politics of the ruling classes. While the majority voted to demand freedom without annexations or war reparations, there was a minority led by Lenin – the ‘Zimmerwald Left’ – that held the standpoint that world revolution must occur as a natural consequence of the World War, and that the recovery of capitalism after the World War was ‘theoretically’ ruled out. Thus, the tactics of the proletariat should therefore be oriented *exclusively* and *immediately* on the collapse of capitalism.

After declaring the Zimmerwald organisation dissolved, the ‘Zimmerwald Left’ reconstituted itself as the ‘Third International’. The *majority* of those at Zimmerwald considered themselves as part of the old organisation – the Second International – yet a number of them, above all the Italians, did go over to the Third International. Thus, today we have only two organisations to deal with – the Second and Third Internationals – but *three* basic tendencies that, unfortunately, are at odds with one another. This is clearest in Germany where the divisions have given rise to three parties. The *right-wing Socialists*, who still defend their war policy of 4 August as the only possible one, are opposed by *the Spartacists*, who defend the Third International without reservation and also the *Independents*, who are in accord with the Spartacists in their criticism of the Second International, but deny that the historical perspective of the Communists is the only possible perspective to recognise.

From the existence of these three currents within the proletariat, which may differ somewhat in each country in terms of their manner of organisation and in the degree of their strength, there is a more or less conscious tendency to carry over this three-part division onto the terrain of the International. This

urge is, naturally, especially strong among the German Independents, who have made a clear break from the right-wing Socialists and the Spartacists, and on the terrain of the international now face the terrible alternative of either sitting at the same table with the right-wing Socialists in the Second International or having to subordinate themselves to a Third International under the Communists. Thus, the Independents want to exclude the right-wing Socialists from the Second International in order to proclaim its character as an international organisation to be in line with their own.

We, too, *are not pleased with either* the Second or Third International. Our view is fully in accord with that of the Independents of Germany, but we do not believe under current conditions their methods for making changes for the better are warranted. It is not through the method of *exclusion*, but rather through the method of *unifying the proletarians* that we will realise our objectives. Today the overwhelming majority of the world proletariat stands on the same ground as the German Independents, which means essentially that it has found its way back from the war hypnosis to our old principles of Marxist Social Democracy. That was evidenced quite clearly in the conference of the Second International in August in Lucerne. There a bloc developed between the Independents of Germany, the majority of the French Left (Longuet-Group), and the Independent Labour Party of England (MacDonald) that is capable of giving leadership to the International. The class-conscious socialist parties of the industrial countries of Europe should be the determinative elements of the International, and they will be so when they are able to find a way to unify their strengths. The weakness of the 'Third International' lies in the fact that its socialist parties represent industrially weak nations from which their leadership emanates. We do not seek to diminish the revolutionary energy of these parties, but we are always conscious of the fact that Marx taught us the destiny of socialism will be determined in that part of the world *where industrial development is the most advanced*. In the Third International, with the exception of some small groups, the representation is basically by *Eastern European* parties. The single exception is the *Italians*. They came to the Third International because of their opposition to the wartime policy of Burgfrieden. For the Italians their exit from the Second International and the joining of the Third International did not represent a commitment to the tactics of Bolshevism for their own country. They actually acted in the tradition of the old Zimmerwald majority and did not become a part of the Zimmerwald left. This would be immediately evident if there could be discussions between the Second and the Third International. Then the Italians would move as a majority into the camp of Longuet and not to the side of Lenin. Thus the bloc mentioned above would be considerably strengthened.

It is quite similar with the Swiss. The party congress that took place in Basel in August decided, with the exception of one voice, to leave the Second International, but there was a great battle when it was posed that they then enter the Third International. In a preliminary vote two-thirds of the delegates, 318 against 147, decided to enter. But after further argument, the deciding vote turned against this decision, so that in consequence the majority neither wanted to be in the Second or the Third International.

And this posture corresponds, without a doubt, with the feelings of the majority of proletariat throughout the world. It is the feeling of dissatisfaction over the plight of the International. Neither of these Internationals is truly an International in which the workers of all lands can be represented.

In the founding Congress of the German Social Democratic Workers Party in the new Czechoslovakia held on 30 April in Teplitz there was a proposal by several delegates from Bodenbach to join the Third International, but this proposal was not successful with either the Bodenbachers or any other delegates. Rather, the party congress agreed with the address given by the representative from Reichenberg (Kreibich) whose resolution concerning the International stated:

The German Social Democratic Party in the Czechoslovak Republic is an international party; it knows that the liberation of the working class and the realisation of socialism can only occur through the common action of the proletariat throughout the world. This party congress therefore gives to the party leaders the task of making connections to the revolutionary workers' parties of other countries and nationalities, and of insuring our participation at the international congress in Geneva. The party expects that the destruction which resulted to the International from the outbreak of the war and the creation of the so-called 'Third International' will be healed with a new model, which unifies the class-conscious, revolutionary proletariat throughout the world into a battle-ready organisation.

German-Austrian Social Democracy has had no opportunity to take a formal position concerning the problem of the post-war International. But the decision will be made certainly within the same spirit of the German comrades of Czechoslovakia, from whom unfortunately we have been separated for many years organisationally despite having the same common struggle. The German-Austrian Social Democrats also will seek unity and not a threefold division of the International, and they will seek to use those methods on the terrain of the international that they have brought to bear in their own country, despite all the difficulties.

The achievement of this goal is only possible if one avoids any exaggeration of the significance of the International at this time. It would be a foolish

optimism to expect any special accomplishment by it now given its fundamental destruction by the wartime policies. We must remember that there were seventeen years between the demise of the First International in 1872 and the possibility of its recreation as a Second International on 14 July 1889. Patience should be learned from that. Above all, we must refrain from seeing the International as capable of intervening in a helpful or directive way in individual countries. In the current crises, the International is only a *weak creature*, which can do nothing for its own individual sections, rather just the opposite, each section must do something for the International in order to make it a living, effective organisation once more. Thus, the Menshevik efforts made first in Bern and later in Lucerne to make the International into a judge in Russian party matters can only succeed in paralysing the International for the foreseeable future. If we start with condemnations, we would see that the majority of the judges themselves would be transformed into the condemned. We should not look to the past, but towards the future if an International is to be possible. Certainly not all of those who would like to be a part of the International will find a place in it. [But] exclusion can only impact compromised individual leaders and not whole proletarian parties or the entire proletariat of a country. The removal of the guilty should also not take the form of a prosecutorial trial; it will occur rather as the principles represented by the International are sharpened. Those who cannot accommodate themselves to these principles will simply distance themselves from the organisation. It is not expulsions or splits that are necessary today to again make the International into a revolutionary institution for class struggle, rather only that the majority of the world proletariat becomes conscious of its strength, and recognises that only the class-conscious, revolutionary, in short the best part of the working class can take over the leadership of the International, if indeed, that is what it wants. This best part of the proletariat will not find it necessary to divide in order to conquer, rather, after being enlightened by war, it may be optimistic about having the great majority of socialists behind it when the workers of all lands are actually *united*.

Friedrich Adler, 'Einheit oder Dreiteilung der Internationale?', 1919, *Der Kampf*, 12, 25 (September): 613–16.



Letter to Leo Trotsky (1919)

Most esteemed comrade Trotsky!

During my imprisonment I was the object of many declarations. Among other things, barracks and children, regiments and streets were named after me. Naturally, all of this without my permission, which one, nonetheless, could not receive because of the prison walls and other obstructions. A few days after I was released I had opportunity to ward off the personality cult that gave me such honours, as you may have seen in my brochure *Nach Zwei Jahren*.

Yet now the newspapers have reported on another honour offered to me by your proposal, the existence of which I had no knowledge of previously. At the same time, I found out that I was an honorary member of the Russian Soviet Congress and that I was no longer to have that honour. I do not know if the newspaper reported it correctly or whether ninety-five percent of what is heard about Russia is freely invented.

Nonetheless, however it may stand with this not even Platonic honorary membership, it seems to me to be without significance in any case; I have never placed importance upon titles and orders. I also don't wish to waste words over it, but since you have taken the effort in a time of great difficulties for you to create such ceremonies, I will take a few moments – as this honorary title was not known to me – to recall *how little we know of each other*.

Since we took leave of each other in August 1914, as you left Austria during its days of mobilisation, we have had no opportunity to speak or write to each other. And just as between comrades connections were broken, it was such between nations, whether they now were 'enemies' or were neutral. Even today that has not been overcome. We at least share the feeling that insofar as Russia is concerned, no one knows anything reliable. We are always reliant upon reports whose accounts of terrors and pronouncements are but lively offerings of travellers warning of the old wonderland of Ophir,* and whose value as truth is surely not furthered by political passion for or against. Just in the last few days we had a drastic example of this. A group of Georgians who left Moscow several weeks before passed through Vienna on their way home. They were both Bolsheviks and anti-Bolsheviks. What one group depicted as white, the other group with the same temperament depicted as black, and conversely. We were completely unable to decide which depiction came closest to the

* Ophir refers to a wealthy port or region mentioned in the Old Testament from which shipments of luxury goods were sent to King Solomon.

truth. Therefore, we are as reticent regarding the socialist movements in other countries as we were before and our caution is repeatedly strengthened when we experience how little the comrades of other countries are able to get details of our own situation.

Beside all the admiration I have for the energy and endurance that you and your friends have had in uncertain situations over the past two years where your authority has always proven itself, I find it disconcerting that you, by erecting trenches, are unable to gain insight into the conditions that exist in other countries. The worst discomfort came when I saw from my cell how you arranged the Brest-Litovsk Treaty. What I had feared from the beginning of these negotiations became reality in all its horror. You counted upon Germany and Austria's readiness for revolutionary development as if you knew something about it, when it was only your wish that was projected in your political decisions. And just as you incorrectly estimated the meaning of the January strikes of 1918, especially in Germany, you have repeatedly succumbed *to the worst self-deception in regard to the tempo of developments*. I don't presume to decide whether you are unable to estimate the time span regarding developments in Russia, [but] in any case, when it concerns Germany and Austria, you fall into one illusion after the other.

You believe you know Austria because you lived in Vienna for some time before the war. But one can see, even in your brilliant brochure written in the few weeks after the war began, several errors concerning events within our party. And the longer the war continued, the greater the isolation between us became, between the countries. I could see that clearly in the behaviour of your friends even in my special case. After the October assassination in 1916 Lenin demonstrated his complete lack of comprehension concerning the situation which gave rise to this act, and actually was a member of that chorus that condemned what I had done. After my trial your friends reclaimed me, Zinoviev actually called me a Bolshevik. To what degree that was a tactical manoeuvre on your friends' part or an honest error I can't decide. In any case, you can only blame your lack of insight and not me when you perceive that I am a revolutionary Social Democrat, and cannot characterise myself as one who agrees wholly with Bolshevik tactics. Martov proves that both my act of assassination and trial can be evaluated differently. In both cases he shows clear insight and essentially correct judgment.

But, from these psychologically interesting, but substantially meaningless errors in your knowledge of affairs here, you believed that, because of the upheavals here in November of 1918, you should intervene in the Austrian workers' movement. You sent us money. Against that, certainly nothing is to be said. We found that any activity that showed international solidarity was

welcome; and, especially given our modest means, material help from our brother parties abroad was gladly received. But, in this case it was different. The party did not seek money; rather, the money given sought a party. It is to be pitied that along with the money you didn't send some political understanding. And so arose that series of political errors by which one characterised the activity of the Communist Party in German Austria. I was aware from the beginning that it was unavoidable that with this economic outreach – the Russian and later the Hungarian money – a party would be found. The process of splintering our workers' movement had to be the result of your intervention. I never promoted this process because, with the best will and conscience, I saw this as *a misfortune for proletarian action*. The people of the new party came to me at that time on 3 November, a day after I left prison, with the naïve sense I might take leadership over this movement. I immediately rejected the offer, and when I now consider what occurred, I can even today say that in every moment of the year that followed it would have been a great misfortune for the revolutionary development of the working class if I had not been able to separate myself from this attitude you created, and not taken the path of the socialist duty I saw before me. And since I did not make this great mistake, that is what you and your friends – who do not know what is occurring here, being 'informed' by political children – cannot forgive. I need only look over the graveyard of *Hungary* at this time to be completely at ease with my decision not to accede to your wishes, but rather to act in accord with the interests of the proletarian revolution, thus helping to preserve the proletariat of German Austria from a decisive defeat and keep it *battle-ready*.

Today I am in the noteworthy situation that my Russian friends from all political tendencies are unhappy with me. But, given that everyone from Axelrod to Lenin are unified in their dissatisfaction with me, that gives me the assurance that perhaps I am really on the sole path that can lead to a powerful International of the revolutionary proletariat of the world.

To argue with you about my views in detail goes beyond the scope of this letter. Hopefully, I can share them with you in person. In the meantime, there are unfortunately still the fronts that seal off Soviet Russia from the rest of the world and force me to print these exacting lines in the hope that they may perhaps reach you. With socialist greetings, yours, Friedrich Adler

Friedrich Adler, 'Brief an Leo Trotsky', 1919, *Der Kampf*, 12 (37) (December): 805–7.

Max Adler

Democracy and the Council System (1919)

Chapter 7: The Council System

The workers' councils gain their fascinating attractive power, which seizes all levels of the working population, because of the hope that they awaken of being a genuine means of the people's representation, replacing the Parliament that has no prospects and has outlived its usefulness. We have seen in the first chapter the grounds upon which this failure of parliamentarianism and democracy must necessarily be based: on the class antagonisms which make the formation of a unified will impossible in respect to fundamental questions of the state and social order, and as a result of which any majority decision could be called an act of repression. At a certain point in the development of this class antagonism, at a certain level of education, of political maturity and of economic strength, the repressed class finds it impossible to further satisfy its current living and developmental interests through the parliamentary principle of the majority vote, i.e., as a problem of numbers. This became clear after parliament, constructed on the basis of universal suffrage, did nothing in response to solemn protests [from within]. Matters were clarified as the streets came to life. The 'arguments of the streets' were nothing other than the loud and visible strata of the people themselves, who in response to the decision of the majority (in Parliament) to legally push their protests aside, expressed themselves as a society, which they were before and after Parliament, desiring satisfaction in a stormy manner. As soon as the tasks of societal order could no longer be resolved upon a basis that was beyond dispute, as at the beginning of the bourgeois epoch, when the consolidation and unfolding capitalist system of production and bourgeois democracy developed simultaneously and was the condition for the development of the proletariat, then questions of parliamentary voting had to become questions of power between the classes, the answer to which increasingly was found and settled outside of parliament.

Insofar as the workers' councils can only be elected by the working classes of the population, and all those who merely take advantage of alienated labour are absolutely excluded from voting for the councils, *they then create a fundamental economic unity without contradictions* which enables the articulation of a real, unified will, which will overcome the mortal foundering of the parliamentary system. The great advantages of the workers' councils in contrast to parliamentary representation are evident: there is a much closer relation

between the voters and those elected (even when the members of the central council have been chosen indirectly through the several levels of local, district and region, they still initially have to be elected from the shop floor or workers' group and can always be re-called), for here the voters have a greater immediate interest in the activity of those they elect, and conversely, those elected have a stronger sense of responsibility to the electorate. Moreover, the unification of legislative and administrative [functions] in the structure of the workers' councils offers more immediate voter influence not only on the formation of the laws, but also on the reality of social life. It thereby eliminates or at least greatly reduces the damaging interjection of a bureaucracy between the members of society and the enjoyment of social life. All this would be the more or less direct consequence of the newly won foundation for the new construction of society.

In order, however, to really reach this goal, it is not sufficient for the workers' councils merely to be elected from the working population; that would compromise the unity of their effect quite readily, which can only be maintained *through a common social foundational vision* concerning the essence of society, and how its proper organisations should be constituted. Therefore, our provisional statute concerning the workers' councils stipulates that one is only electable who supports the premise of the class struggle, and the overcoming of the capitalist society through socialism. If this determination is consistently carried out, then a mandate that contradicts it must be annulled by the Mandate-testing-commission. That means, however, the some voters will lose their voting privileges. One might believe, therefore, it would be clearer to *state that the active vote was then dependent upon a belief in socialism*. This would appear to be not only more consequent, but only in accord with actual meaning conveyed by the conference of councils. Voters could only be those, then, who belong or belonged within a certain recent timeframe to a social democratic, communist, or some other group that recognised the socialist class war. With this regulatory proviso for elections, the major issue for the creation of the workers' councils is resolved, that is to avoid a wholly superfluous, destructive organisation: *since socialist-revolutionary propaganda is thereby foregrounded as the basis for the councils*, and, thereby, the councils can become the schools of socialist thought and feeling, and can generate the general corps in which the soldier-workers politically and socially build the new society. It thereby energetically relegates to secondary importance mere vocational and other contemporary interests. Here then lies the dictatorship of the socialist working people, which *in its decisions excludes all those* who do not stand upon this ground of common interests and goals. Yet, this is not a violation of the rest of the population, which has not yet turned to socialism. For them – *and we see this as but*

a transitional situation – the national parliament should continue to exist, with its wholly different rules for election, thus giving the non-socialist segments of the population the possibility of having their interests represented.

With these side-by-side organisations of both representative bodies it is necessary to give the major weight to the Central Council of the Workers' Councils, because this body represents the unified class of the working population; it represents *the unified will for the transformation of society* in contrast to the National Assembly with its class-divided incapacity for such transformation. The competence of the Central Council must include the right to deal with all matters of the economy, of commerce and finance, along with the National Assembly; it must further have the right of initiative within the National Assembly, and must retain the right of veto over its decisions. Moreover, the election of the government will be a key decision in common with the National Assembly. In this way, the system of workers councils, through this division of competencies – which will exist on all levels of government, down to the district level (Bezirk) – *will become the actual organ of socialisation*. The National Assembly, however, will remain a deciding body in all the political and cultural issues that go beyond the construction of the new economy, an absolutely necessary means of transition, which protects the dictatorship of the proletariat from terrorism, and insures a further development of society free of the storms of a civil war. And this continuance of the National Assembly beside the workers' Central Council is even less dangerous for the social revolution because its meaning will become less and less pertinent with the growth of socialist propaganda, which, in its speeches and writings, is more powerful than any machine gun or revolutionary tribunal. In fact, a socialist majority within the National Assembly is in the offing, and when it comes it will transfer its remaining authority to the workers' councils.

The only point still to be discussed in regard to this implementation of the council system is the position of the farmers. One should not suppose that even if the rich peasants and even the better-off middle peasants were excluded from the peasants' councils, these councils would still be considered as resting on the foundation of the socialist class struggle. They certainly would not submit to a proletarian government. Nothing else helps here than once more attending to Lassalle's command, which is: the new economic structure can only be accomplished in agreement with the peasant class. As long as it is not ready for socialism – which does not mean that it could not be persuaded to fulfil many socialist measures, such as abolishing the large estates, forming cooperative organisations and markets, improving land cultivation, and so forth – it still must be our task to convince the peasants that the realisation of a socialist society in the cities does not threaten them, and that they do not have,

therefore, any reason to make things difficult for the urban population, rather, on the contrary, it is more advantageous to deal with a socialist society in the cities that is regulated by its needs rather than the needs of middlemen. The workers' councils must seek to form contractual relations with the peasants' councils. A new form of economic equilibrium, such as that holy or unholy dualism between Austria and Hungary, only much more natural and promising, must be concluded between the peasants and the workers. Instead of the more or less open war between the city and the country, a periodically renewable peace must be established between the peasants and the workers, through the development of the peasants' councils, which are today hardly socialist, but must become so increasingly, moving thereby always further towards the general socialisation of society.

This seems to me to be the way toward the dictatorship of the proletariat without terrorism, and also without the surrender of our fundamental understanding that the transition to a socialist society is only possible through the dominance of the working class. This understanding rejects the insane idea, the popularity of which has seized a large portion of the masses, that all power should be given immediately and exclusively to the workers' councils. This vision fends off the ringing slogan of the council republic parroted to the masses as the unfailing solution for all of its needs. We see continually in the misconceived attempts to realise socialism through the proletarian dictatorship that it is not a process of today or tomorrow, but a developmental process under the leadership of the proletariat, which must begin at once, but will nonetheless continue for years.

Now, a succession of objections could arise that can create many opportunities for misunderstanding. One might say, for example, that the limitation of the right to vote for the workers' councils to those who consider themselves socialists is an unspeakable suggestion, setting in the place of a class-based hegemony, which is already sufficiently undemocratic, a hegemony of conscience, which brings to mind the most depressing spiritual domination, that of the Catholic church. One can say that the workers' Central Council is nothing other than a new Upper House, thus, wholly undemocratic. Have we always fought against the Upper House in order to now set one up ourselves? And finally, combining the legislative and executive of the workers' councils violates a basic premise of democracy, which requires the separation of powers. All these objections show the pernicious authority of mere words in relation to a new concept. They wish to frighten us with the ghosts of the archaic past.

Chapter 8: The Singularity of the Council System

The decisive advantage of the council system over the parliamentary system, that which gives it its singular political meaning and its historical promise of further development, lies, as we have seen, in the building of a unified representative body, no longer divided by class contradictions. In this way, the different strata of the working population come together in a common body, which for the first time represents the actual common will. Of course, the prerequisite for that to occur is the decisive stepping aside of all contemporary economic interests whose preservation is central to the back and forth of parliament's party struggles, where the only issue is who should benefit most from the bourgeois state, allowing instead *the transformative interests of societal change* to emerge, which speak to the contemporary condition of the state and society, that is, moving past class divisions. And this means that those elected to the National Assembly must adopt some position that rejects a state and society controlled by capitalism, that is, they are representatives of the socialist idea. Consistent with this understanding, the election to the workers' councils must also be based upon membership in a socialist organisation.

We then encounter the objection that we have made the monstrous proposal to legally establish the hegemony of a party by creating a new privilege. One such view is supported merely by equating socialism with membership in a political party, which is not the case in light of the revolutionary essence of socialism and its historical, as well as cultural meaning. One must answer that, even if socialism in its entire character was nothing but a political party, the establishment of its hegemony within the state by law would not be foreign to the nature of any political party. At the most, this would be an open and honest statement of what every party does when it comes to power, resorting to law to consolidate its dominance. It is, indeed, the goal of socialist politics to establish the dominance of the proletariat, of course, the socialist proletariat, and that dominance is not possible other than by assuming the privilege of power by claiming the highest authority in the state. The decisive point, however, is that this relationship of authority and the seizing of power for socialism *takes on a wholly different character than with any other political party*, because socialism is not merely a political party but rather *a representation of the entire society*, to be sure, a society that is just forming itself. The particular essence of any mere political party lies in it being only a one-sided [form of] representation in the state and of society. It represents the interests of the large or small landowners, of capital, of the small owner, of industry or the artisan, of the aristocracy, and of the bourgeoisie or the farmer. All this interest representation only seeks power in the state, not to overcome the state, rather to control it, so that it can better use it for its purposes. These parties leave the social construction of the

state as it is, and all are conservative, regardless of how stormy and demanding their behaviour at times, indeed, they are counterrevolutionary. They do not want society any different than it is today; *they only want it for themselves*. If this point marks the real essence of political parties it immediately is clear that socialism is not a party in this sense. Certainly, it represents particular interests, the interests of the working class, of the proletariat, but – and this is what makes socialism revolutionary – these are not worker's interests, *rather the revolutionary interests of the community*. As long as one understands socialism as if it [only] represented the interests of the working class, and only struggles for the improvement of the lot of the working class in the state and society, one has misconceived it. That would be simply a union movement, which has never meant socialism and societal revolution. Revolutionary means an historical advance, which socialism first became when the thought of the *Communist Manifesto* became its principle of life and movement, asserting that the proletariat as the lowest class of society could not be raised up without overthrowing the whole social structure of the capitalist order weighing down upon it, and that it could not be free without the liberation of the class-based state. As soon as this became the essence of the political fight for socialism, then the representation of the special interests of the proletariat, as Lassalle so unforgettably said, are transformed into the interests of a new community interest. And, what merely appears as political party, because in the struggle for power it has to stand and fight on the same ground with other political parties, in reality *is a necessity for the organisation of all the forces aiming to renew society in opposition to social stagnation, indeed social regression*.

Within the name of the party there exists two essences. And the demand for a purely socialist representative body to be anchored in the constitution of the state does not mean the stabilisation of a party hegemony. It means, rather, the first step towards the eradication of party rule, to the overcoming of the class character of society, to the construction of a solidarity community of human work.

And, this revolutionary goal can only be reached by the council system if it is wholly and consistently constructed socialistically. Otherwise, in a short time it would degenerate into an instrument representing the petty, ridiculous interests of factories, workshops, and offices. Popular misunderstanding of the idea of workers' councils has already given rise to the strangest notions, as corporations (*Körperschaften*), either wholly reactionary or corporately inspired, rush to dispatch their 'worker delegates'. [These are] corporations that otherwise avoid contact with workers as socially degrading. One may harbour doubts over the necessity of the council system. One might think that the development of power relations among the parties in the National Assembly will shortly cre-

ate a socialist majority, and thereby will open a less complicated and surer path to the dictatorship of the proletariat. But since the movement on behalf of the proletarian council system has taken hold, the problem is simply this: either the council system degenerates to an organism of mere corporate and professional interests without a principled relation to socialism and thereby becomes an even worse version of the National Assembly, or it will become a unified organ of the societal will for reconstruction. The latter is only possible, however, when it is built upon the adherence to socialism. And, in this respect, the working people's representative system has so little to do with party hegemony that it is precisely within it that the current cleavages within socialism itself can be overcome. For it is not merely Social Democracy that calls for workers' councils, but so do the so-called Communists, the Socialist Revolutionaries, and in general all currents of class-war socialism. In short, one party does not create this organisational principle of representation, but an idea. But then a new slogan is raised against us. Don't you, one angrily shouts, want to establish a society based on one idea, i.e., one based on the establishment of a *new church*? Such an opinion is either a harmful misconception or a demagogic deformation of the entire workers' movement. For the socialist idea as an organisational principle for the workers' councils means only that the new construction of society is not possible without the unified spirit of all fellow workers in this effort. And, if one will merely play with words, if one wants to call this community of fighters a church for pursuing the required unity of its revolutionary convictions, then it is the church of the future meant by Lassalle and its rock can only be the socialist proletariat.

It is nothing other than a playing with words when one finds the decree placing the council system next to the National Assembly during the ongoing transition period to be the creation of an *upper house* that brings the notorious two-chamber system back to life. In this instance, we have an old word that has a quite different content, which is applied to a new thing entirely. The two chamber system had a reactionary and undemocratic meaning in that the Upper House, a chamber of aristocracy based on the privileges of birth, status, and property, had the explicit goal of limiting the people's will, insofar as it was expressed in the second chamber, the House of Representatives. The Upper Houses was a relic of the older corporate constitution, the last remnant of the original aristocratic and clerical estates that dominated the feudal monarchy and are now allied with the representatives of the plutocracy. The Central Council of the Workers' Councils, which would be the second chamber beside the National Assembly, would hardly be a relic of corporate representation, but rather the beginning of *societal* representation, hardly a constraining impediment to democracy, rather the opposite, its powerful wall-

breaker. The 'Upper House' of the socialist working population would be no house of privilege and of social prerogative, but rather the converse, one of social equality and the demand for social solidarity. In short, while a real Upper House always represents the dominant interest, the interest of class division and a corresponding state authority, the chamber of the workers' councils will represent common interests, the interests of social solidarity, and the destruction of the class-based state. That means, however: this so-called Upper House is not a chamber in the sense of the two chamber system; *it breaks up the principled basis of the two chamber system completely*, which in spite of the democratic character of the lower house, contained within it the preservation of the class-based society and the authoritative state as its necessary expression. The new second chamber means *a new principle of societal organisation*, which in place of the *domination of people*, which characterised every form of the previous society, establishes *an administration of common living and developmental interests*. If that is an Upper House, it is one only in the sense that socialism in the sphere of social life puts all special interests under its authority; and, if that is a body of governors (Herrenhaus), then it is only in the sense in which socialism enables those who were dominated and repressed to become a community of free peoples who finally will be governors of their own fate.

Certainly, the placement of two principally different bodies of representation next to one another harbours the danger of continual conflict in itself, which finally cannot be solved by anything other than revolutionary means. But, the whole institution of the workers' councils is only *a form of battle for the revolution*, and is not to be thought of as an enduring constitutional form. The expedient of placing the workers' councils beside the National Assembly would have the advantage at this critical moment of addressing in a clear manner the impatience and lack of discipline, and for the most part, the existing political immaturity of the masses, who will not wait for the slower but surer process of the construction of a majority in the National Assembly. This expedient will direct the revolution onto a more ordered, less self-destructive path, and gather the strength of the proletariat into a unified organisation for battle. It is precisely because the construction of a council republic today is only a damaging slogan, and the council idea has so strongly entered the thinking of the proletariat, that one must reckon with it. It is necessary to give the council system such a form that it can become a powerful means for the development and furthering of socialism. It will not become the immediate realisation of the dictatorship of the proletariat, the essence and practical possibilities of which, in any case, can only vaguely be conceived, yet it will accelerate that which alone can make a dictatorship of the proletariat possible: the socialist enlight-

enment of wider and wider circles of the working population, the revolutionary and mature *will to dictatorship*.

Chapter 9: The Next Tasks of the Workers' Councils

If the discussion of the objections against the constitutional formation of the council system has put its future more in focus, the consideration of objections yet to be dealt with, namely, that the workers' councils eliminate the democratic separation of legislative and administrative functions, illustrates the contemporary and immediately practical significance of this new, revolutionary organisation of proletarian struggle. Here we are directed to one side of the way the workers' councils operate which will make us aware that the question of its ultimate constitutional normalisation cannot be answered ahead of time, as if it were a part of its active programme, but rather, the answer to this question can only grow out of the actual development of workers' councils, thus from the conditions and power relations they create. And from this standpoint we take up the above objection to the structure of the workers' councils, that which is revolutionary in this institution, that which marks it as a bearer of genuine social democracy, namely, that it strives to sweep away the separation of the legislative will of the people from concern about its actual implementation.

The theory of the states' division of powers, i.e., the separation, above all, of the legislative from the administrative, is wrongly considered a principle of democracy. This theory, essentially established by Montesquieu, has certainly been a mainstay of democracy, but *only as a weapon against absolutism*, as a battle cry of the bourgeoisie, which did not yet feel strong enough to end the monarchy, and thus sought to limit its absolute power. Wherever a democracy was consistently represented, that is wherever it adopted the standpoint of the people's sovereignty, it never occurred to it to raise the principle of the division of powers. Instead it proclaimed the opposite and demanded the unity of all authority in the hands of the people. Therefore, it is telling that Rousseau not only did not support the separation of powers in the state, he fought against it. And, it is in fact an essential part of a genuine sovereignty of the people that they not only articulate their laws themselves, but also elect and control the bureaucrats who administer these laws, and the judges who judge according to them.

It is the rigid principle of the separation of powers that particularly the detachment of the entire administration from the living legislation of the people's will – whereby we now disregard the fact that, within the democracy of a class-based society this can only be labelled as such with reservation – brings about the consolidation of the administrative authorities into a hier-

archical bureaucratic machinery. This creates solid boundaries to the legislative will, consistently enabling a more and more independent bureaucracy to contravene that will. In this way, the bureaucracy is the indispensable instrument for every application of law and for every executive, but it is also often the first obstacle or hindrance of both. The workers' councils have their most important function just at this point, to make democracy, which means the self-determination of the people, come to life again by placing bureaucracy under the most stringent control and, indeed, finally excluding it as much as possible by transforming it into an organ that merely provides assistance as it assumes legislative and executive authority for itself.

Real democracy as self-determination of the people does not lie only in the right to legislate. It is embodied not merely in the legislative body in which the usual give and take of democracy can be observed. Instead, it lies above all in the institutions that offer the assurance that that which the people have determined actually occurs. *And this is the decisive role of the workers' councils. From the central workers' council on down through the district workers' councils, they not only decide, but introduce and carry out what has been decided. They immediately actualise the will of the proletariat.*

In this way the workers' councils become the real organs and bearers of the social revolution. For in their conquest of all positions of power within the administration of the bourgeois-capitalist state and its communities, and by overthrowing the authority and self-aggrandisement of the older bureaucracy, they do more than merely overcome or break loose from the National Assembly. Once the district workers' council takes the place of the older district governor, or has developed an administrative process in which the district governor is no longer important in any confrontation with the district workers' council, we have a revolution, a destruction of the older state machinery, whose meaning can hardly be overestimated. And here the next task of the workers' councils becomes manifest: the determining of how they themselves will address the question of fulfilling their constitutional position and its duties. The workers' councils will gain as much constitutional power as they come to possess through their activity.

The next task of the workers' councils will lie, then, in every area of administration, even in the small locales where they will support demands of the proletariat and where their authority is based upon an exact knowledge of these local matters. The activity of the bureaucrats will be closely watched so that errors and malfeasance can be remedied. They must be careful, nonetheless, that this activity of oversight is not done in the spirit of church politics, but rather only in the common interests of the proletariat and with the transformative goals of socialism as their lodestar. And thus two things will be necessary:

first, the local workers' council (Bezirk) must be in constant contact with the regional (Kreis) and central workers' councils, and in all important administrative questions present a unified position. This leads to the second thing: the workers' representatives must have revolutionary schooling in the spirit of the Marxist class war and of socialism in general. Only in this way can the workers' councils avoid mere reform activity, not losing sight of their real goal. *They are the chief instruments of social transformation* meant to end capitalist society itself.

Only workers' councils guided by such a spirit will be able to be the genuine new organs of popular self-determination, since they will not merely reform the administration, but rather build it upon a wholly different foundation than that of the bourgeois form. However, this mode of activity is not only opposed to the bureaucracy of the state. Instead, its revolutionary character is expressed through its critique of all that hinders the revolutionary struggle of the proletariat or threatens to weaken it. *And that includes much that is aged and deadening within the Social Democratic Party itself*, which gave occasion even earlier for concern and criticism in our ranks. The struggle against its own bureaucracy, the rejection of policies that are only aimed at unionisation, the curbs on the over-abundance of parliamentarianism and cliquish politics – all this becomes an important set of tasks for the real activity of the workers' councils and is just as important as their opposition to the administrative machinery of the state. If the self-determination of the proletariat becomes a serious goal, then the workers' councils must take care that in the state administration nothing more can occur without them; moreover, *within the clubs of the Social Democratic representatives of the national assembly, the provincial assemblies, and local governments*, no essential decisions can be made without the workers' councils being involved in them in a substantive way. In this way, the effective and meaningful position of the workers' councils will be implemented in every area of state and social life even before it is constitutionally regulated. They will achieve influence without the need of a council dictatorship, indeed, to a greater degree than even a council republic could effect, not having to deal with the storms and economic disorganisation with which such a republic would have to contend. The constitutional anchor would become a protocol of what the council system achieved in its historical development, and perhaps of the limits, which they will exceed insofar as the demands discussed above in Chapter Seven are concerned. In this light, to many the question of the constitutional handling of the council system seems hardly to be a pressing or decisive one. That is right, in so far as it does not reveal the essence and meaning of the workers' councils. Nevertheless, it is necessary to have a definite programme for the constitutional issues that impact the workers' councils, not only to be able to give orientation

to how they are to be integrated into the whole of the state's life, but, above all, to have a strong position against the unrestrained agitation of the 'communitistic' slogans, which, regardless of political and social realities, demand a council republic and a council dictatorship. In this sense, the constitutional form for the workers' councils that we have put forward does not constitute a fixed measure of [their] political power and significance. Instead it merely describes a transitional form, through which this combat organisation of the social revolution can realise its sole meaning and goal: *All power to the workers' councils!*

Max Adler, *Demokratie und Rätesystem*, 1919, Vienna: Wiener Volksbuchhandlung, pp. 30–40.

Otto Bauer

The Russian Revolution and the European Proletariat (1917)

Foreword

This short work aims to accomplish three tasks. First, it seeks to make it easier for German workers to follow the world historical events in Russia and to recognise their significance for the international working class. Second, it aims to show the relationship between the events in Russia and the struggle for peace. Third, it wants to illustrate how the experiences of the great Russian Revolution must influence our judgment of internal party issues, which have affected all Social Democratic parties since the beginning of the war.

This work describes the events of the Russian Revolution down to 10 October.

I dedicate this work to my Russian friends. May it help awaken the enthusiasm of the European proletariat for the works and deeds of Russian Social Democracy, to mobilise Europe's working masses in their common struggle for peace, and to unite once again in the old internationalist spirit of the working class of Central and Western Europe with the heroic fighters of Russia.

Heinrich Weber

Vienna, October 10, 1917

Classes and Parties before the Revolution

The Nobility and the Bourgeoisie

The first Russian Revolution, the Revolution of 1905, ended in the defeat of the people with Stolypin's coup of 3 June 1907.* The revolutionary Duma was dissolved, Social Democratic representatives were tried and condemned to forced labour, and a Tsarist decree announcing a new electoral law robbed the workers and peasants of any influence over the makeup of the new Duma. Elected on the basis of this law, the new Duma was a parliament of the nobility and the bourgeoisie.

In 1904 the nobility and the bourgeoisie had placed themselves at the head of the revolutionary movement: They hoped the workers and peasants would overthrow Tsarist absolutism, carry the nobility and bourgeoisie to power, and

* Pyotr Stolypin (1862–1911) was Russian Prime Minister and Minister of the Interior from 1906–11.

then humbly subordinate themselves to them. But this expectation was delusional and the great struggles of 1905 bitterly disappointed the nobility and the bourgeoisie. For the workers the revolution was the fight for universal and equal suffrage, for the right to organise, and for the eight-hour day. For the peasants it was a fight for land, which the noble landlords had stolen from them. Terrified by the mass uprisings of the workers and the revolts of the peasants, the nobility and bourgeoisie sought protection behind Tsarist bayonets. After 17 October 1905, after the day on which royal power had to capitulate for the first time to a mass strike by the workers, the aristocratic and middle classes were no longer revolutionary. From Stolypin's bloodstained hands they accepted the Electoral Law of 1907, which gave them power in the Duma. And, in the Duma elected on the basis of this law, they supported the politics of counterrevolution. The government did not have to worry about any parliamentary objections as it crushed the workers and peasants through the use of summary court-martials, punishment expeditions against the revolutionary peasants, the shutting down of the revolutionary press, and the banning of revolutionary organisations.

Weakened in the struggles of the revolutionary years and robbed of their leaders and organisations by bloody oppression, the workers and peasants grew quiet. Only two forces dominated the political stage: the Tsar and his bureaucracy on one side, and the bourgeoisie and nobility on the other. They had allied together when the workers' and peasants' revolt threatened both groups. They again began to struggle for power against one another as the threat from the workers and peasants receded. The history of the Duma since the coup of 1907 is the history of struggle between the Tsarist-bureaucratic government and the feudal-bourgeois parliament.

The government faced the Duma of privilege with justified disrespect. It treated its decisions as *scraps of paper*. It decreed the most important laws – Russia, too, has its Paragraph 14 – without the Duma's approval. Unable to base itself on popular support, the Duma stood powerless against the Russian Stürgkhs.¹

The war interrupted the struggle between the government and the Duma. The bourgeois parties of the Duma, the Octobrists and the Cadets, were as nationalist and imperialist as the National Liberals in Germany and the Nationalists in Austria. As the Russian army flooded into Galicia and Bukovina and threatened Hungary, the Russian bourgeoisie was intoxicated with sweeping plans of conquest. East and West Prussia, Galicia, Upper Silesia and Posen, Con-

1 Karl Graf Stürgkh (1859–1916): As Minister President he prorogued the Austrian Reichsrat and established authoritarian rule (editor of the German ed.)

stantinople with the Bosphorus and the Dardanelles, and Armenia should be Russia's plunder in the World War. Instead of that, [however,] came the great defeats of 1915: the Russian army had to evacuate the conquered territories in Austria; Poland, Lithuania, and Courland fell into enemy hands; the attack of the Allies on Constantinople met with miserable defeat.

Russian national pride was terribly damaged. Russia alone has a larger population than the German Empire and Austria-Hungary together; nevertheless, even in alliance with England, France, and Italy it was unable to defend itself against the enemy advance. The giant empire, which had announced the liberation of its Slavic brothers from the German yoke, had to witness Bulgaria enter into an alliance with the enemy and Serbia under occupation. While gnashing its teeth it watched the Germans in Poland begin to take on the role of liberators. The infuriated national pride turned against the government, whose inability to lead Russia to victory was demonstrated on the battlefield.

Thus, conflict again erupted between the government and the Duma. The bourgeois parties united into a *Progressive Block*. It demanded the abdication of the bureaucracy and the replacement of the bureaucratic government with a parliamentary one based on a majority in the Duma. Assemblies of nobles and industrialists demonstrated in favour of these demands. The whole bourgeoisie called for Russia's transition to parliamentary government. A mighty opposition movement spread throughout the empire.

The nobility and the bourgeoisie, rather than the popular masses, led this movement. Its goal was not a proletarian and peasant revolution, but rather the securing of cabinet posts by trusted representatives of the aristocratic-bourgeois parliament. It did not aim to achieve universal and equal suffrage, but rather a government of the privileged in parliament. It did not aim for the self-government of the people, but the domination of the landlords and capitalists. It fought against the government not because it had imposed a war on Russia, but because it had unsuccessfully fought the war. It did not demand the end of the war, but rather a more competent and energetic war effort until victory was won.

The nobility and bourgeoisie did not dare to summon the masses into the struggle against the bureaucracy because the terror of 1905 still frightened them to the marrow. They had to seek other allies. Russia's nationalist bourgeoisie sought and found the support of the nationalist bourgeoisie in England and in France.

In 1916 the Tsarist regime negotiated with its Allies, England and France, about the provision of economic and military support. Embittered by Allied counter-demands, the Tsar threatened to sign a separate peace with Germany if England and France stuck with their conditions. The majority in the Duma used

this threat for their own purposes and accused the *dark powers* at the Tsarist court of preferring to betray the Allies and cover Russia with the shame of a separate peace, rather than concede a parliamentary government that would be able to end the war victoriously together with the Allies. In the struggle against a separate peace, the Progressive Block attended to the interests of British and French imperialism; the imperialist governments of Britain and France rewarded this service by using their influence at the Russian Court to promote the Progressive Block. Miliukov,* the leader of the Block, and Buchanan, the British Ambassador in Petersburg, worked hand-in-hand. The Tsar was infuriated about the foreigners' support of the opposition movement and resisted all concessions to the Duma. And so the conflict continued with increasing enmity.

Neither the Russian nobility and the Russian bourgeoisie nor their foreign allies wanted the revolution. At the beginning of March, Miliukov still was accusing anyone of treason who called upon the workers to rebel or to demonstrate in the streets. Nevertheless, the Progressive Block's struggle against the government had paved the way for the revolution. It had filled the whole country with the conviction that the incompetent and corrupt bureaucracy was responsible for the defeat. It had filled all social classes with a passionate hatred of the government. When, finally, the workers rose up by taking advantage of this anti-government sentiment, it showed that no one was prepared to stand by the hated regime: officers, soldiers, and officials all abandoned the Tsar. In this way, against the will of its leaders, the parliamentary opposition of the nobility and bourgeoisie prepared the ground for the workers' and peasants' victorious revolutionary upheaval.

The Working Class

The Russian working class received its political schooling in the Revolution of 1905. At that time it fought its greatest battles under the banner of social democracy. Russian Social Democracy's watchwords at the time were absorbed into the hearts and minds of Russia's workers: the political mass strike is the working class's most important means of struggle; *councils* of workers deputies, elected in all cities by all the workers regardless of their political outlook, are to govern the policy of the working class; the next goal in the struggle is the establishment of a democratic republic, whose constitution

* Pavel Nikolayevich Miliukov (1859–1943) was an historian, editor, and leader of the liberal Constitutional Democratic (Cadet) Party in the Duma. After the overthrow of the Tsar in February 1917 he served as Foreign Minister in the new Provisional Government.

would be determined by a national constituent assembly – these were the basic principles of Russian social democratic politics in 1905. Russian workers made these principles their own and, despite the defeat of the revolution, summary trials, and punitive expeditions, they have continued to hold them dear. The Revolution of 1905 was not unsuccessful despite its defeat: the Russian worker learned in 1905 what he put to such excellent use in 1917.

When Stolypin crushed the first Russian Revolution with blood and iron, the workers were silenced. Social Democracy's representatives, who had spoken for the workers in the first and second Dumas – Tsereteli above all* – were in jail, Social Democracy's newspapers were banned and all workers' organisations were destroyed. But the triumph of the counterrevolution did not last long. Gradually workers' self-confidence returned, gradually they grew more courageous. Large-scale strikes gave notice that, despite everything, the Russian working class had again begun to rise up. In July 1914, just as imperialism unleashed the world war, a mighty strike movement stunned Russia's elite.

The war posed new questions to the working class of all countries. As occurred everywhere, the Social Democrats split into two warring camps: there, too, the *social patriots* faced off against the internationalists.

Plekhanov, the old leader of Russian Social Democracy, placed himself at the head of the social patriots. He recommended the same policy to the Russian workers that Scheidemann in Germany, Victor Adler² in Austria, Renaudel in France, and Henderson in England recommended to workers in their countries. As long as the war continued, Plekhanov asserted, the workers had to support their fatherland. They may not strike, because that could weaken the national defence; they may not threaten the government and the bourgeoisie with revolutionary upheaval, because that could encourage and strengthen the enemy. And just as one told the workers in Germany and Austria that the war is the workers' cause because it alone can free European democracy from the threat of Russian Tsarism, Plekhanov taught the Russian workers that the war was their cause, because it liberates European democracy from the threat of Prussian militarism.

While in Germany, Austria, France, and England the mass of the workers followed the social patriots, it was different in Russia. Only a small group rallied

* Irakli Tsereteli (1881–1959) was a Georgian social democratic activist. After 1903 he joined the Mensheviks and later gravitated to its internationalist wing. He played an important role in the revolutions of 1905 and 1917. After the Bolsheviks' victory he lived in exile in France and, after 1940, in the United States.

2 Apparently here is the motive for selecting the pseudonym *Weber*, but the real reason had to do with the actual domestic political conditions at the time (editor of the German ed.)

around Plekhanov. The mass of the workers – indeed of both Social Democratic parties, the Bolsheviks as well as the Mensheviks – rejected social patriotism. The Russian social democratic delegates in the Duma voted against the granting of war credits. Unlike the German and French social democrats, they did not shift the responsibility for the war onto the enemy governments in order to absolve their own of any guilt. Instead, in front of the popular masses, they held their own government responsible for the war. They did not join in any *civil peace* with the opponents of the proletariat, but they have used the popular unrest caused by the war to push forward a decisive struggle against Tsarism.³

Led by Chkheidze and Skobelev, the social democratic delegates in the Duma have not only fought against the bureaucratic government, but also against the Progressive Block. 'You want the domination of the nobles and bourgeoisie via a parliamentary regime based on privilege; we want the self-government of the people through a parliament based on universal and equal suffrage. You want the peaceful transition to a parliamentary monarchy; we want a revolution for a democratic republic. You want the war to continue until your desire for conquest is satisfied; we want the most rapid possible end to the war based on a peace without conquests or indemnities'. The longer the war lasted, the bitterer the suffering of the people became, the more powerfully such speeches echoed among the working masses. Thus more and more workers came to realise that the hour was drawing near to strike the decisive blow against Tsardom.

The Peasantry

In Germany and Austria there are glaring contradictions between peasants and workers. Here the peasantry stands with the bourgeoisie against the workers. In Russia the peasants are allied with them. The alliance of the peasants and the workers against the bourgeoisie gives the Russian Revolution its character. This makes it more difficult for the German workers to understand the Russian Revolution. If we want to grasp it, we have to understand that the economic conditions of life, and therefore the political attitudes of the Russian peasant, are completely different than those of the German and Austrian peasantry.

3 The Russian social democratic struggle against social patriotism did not please the social patriots of other countries very much. Thus Karl Renner wrote recently that it is improper for the Russian social democrats to interfere in the business of the great Social Democratic Parties of Western and Central Europe. See Renner, *Marxismus, Internationale und Krieg*, Stuttgart 1917, p. 107. Since then the Russian 'sectarians' have conquered the great Russian Empire and democracy. The distribution of their party press and literature has already overtaken that of the Germans and their membership is now far larger than that of the French or Austrian Social Democrats.

In Germany and Austria the struggles over the grain and cattle tariffs have set the workers and peasants against one another. Russia, in contrast, does not import grain and cattle, but exports them. Its farmers have no interest in protective tariffs on agricultural products. There are no objective grounds in Russia for the same kinds of difficult struggles that have beset workers and peasants in Central Europe.

The struggle over wages has also divided the peasants and workers of Central Europe. The peasant becomes hostile to the labour movement, as soon as the workers he employs demand higher wages. As a rule, [however,] the Russian peasant does not employ wage labourers; he is much more likely to be forced to perform wage labour in the fields of local estate owners. Therefore, he does not fight against higher wages, but welcomes them.

In Russia there is no hostility between peasants and workers. On the contrary, peasants and workers there generally stick together because, as a result of their particular conditions of life, the Russian peasant is revolutionary and socialist.

The abolition of serfdom only took place in Russia during the eighteen sixties. It was accompanied there by a massive theft of peasant land. The peasant was liberated from serfdom and from compulsory service to his lord, but in return he had to give up a large part of the land, which he and his ancestors had worked, to the landed nobility. This or that piece of land had been the possession of his grandfather, but in the sixties the estate holders took it. Thanks to this theft of land, the proportion of the land still in peasant hands is small. Because the peasants are still very backward culturally and use their land poorly, they live in bitter poverty. A third of all Russian peasants cannot even maintain a team of horses. As a result the Russian peasant is filled with a true hunger for land. He sees only one way out of his poverty: to seize the land from the big landlords that had been stolen from him a half century earlier. This aim makes the Russian peasant into a revolutionary, because a revolution is required to restore the land of the estate holders to the people.

But the Russian peasant is not only a revolutionary; he is also a socialist. In a large part of Russia the land is not the private property of individual peasants, but the joint property of the peasant community, of the *mir*. The peasant community allocates a share for the use of each individual family according to the latter's size. If the allotments become unequal as families change in size, then the land is redistributed. Thus, to the Russian peasant, joint ownership of land is a familiar, traditional institution. He envisions a solution to the agrarian question in which the large estate owners' land is allocated to the peasant communities, which, in turn, reallocate it for the use of families according to their size.

The peasant masses, which make up three-quarters of the Russian population, made this demand their own during the revolutionary storms of 1905. The demand for the socialisation of the land dominated the elections of the First and Second Duma. It had led to the fiercest struggles in the Duma and was finally answered with the coup of 3 June 1907. But in spite of the defeat of his first revolution, the Russian peasant did not forget this demand. It emerged again in the second, the great revolution.

After putting down the Revolution of 1905, Stolypin attempted to solve the agrarian question in his own way. He granted to each peasant the right to leave his village community and to receive from the latter a share of its land as his own private property. The result was the emergence of sharp, bitter antagonisms in the village: the richer peasants withdrew from the village community to the detriment of the poor. In addition, in large parts of Russia the counterrevolutionary government had carried out the consolidation of scattered holdings, which indeed had raised the productivity of agriculture, but also substantially harmed the interests and even more frequently the prejudices of the peasants. All these reforms were underway as the war began; it found the peasants in a dissatisfied, bitter mood.

The revolutionary mood of the peasants found its expression in the *Socialist-Revolutionary Party*. One should not confuse the Socialist Revolutionaries (SR) with Social Democrats (SD). They are a peasant party, while the Social Democrats are the party of the industrial workers. Theoretically the Social Democrats are students of the German socialists, Marx and Engels; the SRs are descendants of the Russian revolutionaries of the sixties and seventies (of the *Semlja i Wolja* and the *Narodnaja Wolja*). The SDs have placed universal suffrage, the right to organise, and the eight-hour day in the forefront of their agitation; the SRs the expropriation of the large landholders and the socialisation of the land. The SDs' chief weapon is the mass strike; that of the SRs is political terror, the assassination of individuals. Both parties, however, fight together against Tsarism and for the democratic republic.

In addition to the SRs, two other recently united parties, the *Trudowiki* (Labour) and the *Volkssozialisten* (the Popular Socialists) also are based upon the peasantry. They are close to the Socialist Revolutionaries, but are less clear about theoretical matters and more moderate politically. The leader of the Trudoviks in the Duma was Kerensky.* His speeches attacking Tsarism made him a hero among the people.

* Alexander Kerensky (1881–1970) was a lawyer and politician who led the moderate Labour faction of the SR Party. After serving as Justice Minister and Minister of War in the Provisional

The war transformed the peasants into soldiers. It put them into uniform, armed them, organised them into battalions and regiments, and united them by the tens of thousands in the big cities. Thus, an organised armed force, filled with the revolutionary spirit of the peasants, was concentrated in the big cities. It required only an external shock to set the uniformed, revolutionary peasants against the power that had torn them from the land, placed weapons in their hands, and taught them how to use them.

Class Struggles in the Revolution

The March Revolution in Russia

The Russian Revolution was not made by England or by any Russian party. It was fundamentally a movement of the working masses in Petersburg, driven to revolt against the misery caused by the war.

At the beginning of March there was no bread in Petersburg. Thousands of working-class women waited in vain for hours in front of the bakeries, only to return home without bread. The worker masses were overcome with great excitement. Workers in individual factories moved from symbolic protests to rebellion. Strikes spread from one plant to the next. On 9 March there was a general strike. All the factories were idle and there was no transport. Huge numbers of people took to the streets and raised the red flag. The government sent soldiers against the people, who resisted and built barricades against the troops. Fighting broke out on the 10 and 11 of March but as early as the latter some regiments began to waver. They could not bear to shoot at defenceless women and children, who called out to them, 'Don't shoot! Our men are at the front! We are starving!' The soldiers refused to fire and the officers were helpless. They did not dare to mutiny with the soldiers, but they also dared not oppose them. They went home and left the soldiers to fend for themselves. Now the soldiers joined the people and fought shoulder to shoulder with the workers against the police, who wielded machine guns against the popular masses. The movement spread from one regiment to the other and by 12 March most of the garrison was on the side of the people. The soldiers overwhelmed the police, still loyal to the Tsar, and seized their machine guns. On 13 March Petersburg was in the hands of the workers and soldiers.

Meanwhile, the revolutionary parties, the Social Democrats and the Socialist Revolutionaries, had intervened. They provided the mass movement with organisation and a goal. The workers in the individual factories and soldiers in

Government, he became Prime Minister in July 1917 only to be overthrown by the Bolsheviks in November.

individual companies elected representatives, who met together as a *council of workers' and soldiers' deputies*. The council announced the workers' and peasants' demand for an end to Tsarist domination and the establishment of a new Russian constitution by a National Constituent Assembly elected on the basis of universal and equal suffrage.

The Tsar was not in Petersburg when the revolution broke out. He received the shocking news at his headquarters. He still believed, however, that he could restore his authority. He ordered the commandant of the Petersburg garrison to smother the workers' movement in blood and simultaneously prorogued the Duma. But when this order became known in Peterburg on 12 March, the commandant had no soldiers, and the Duma, besieged by revolutionary soldiers, saw that if it stood by the Tsar, then not only the Tsar would lose everything, but so would the nobility and the bourgeoisie. So the Duma, the representative body of the nobility and the bourgeoisie, decided to place itself at the head of the revolution in order to avoid being swept away by it. The Duma decided not to follow the Tsar's order to dissolve and to form a committee to negotiate with the him on the one side and with the Council of Workers' and Soldiers' Deputies on the other. The Duma still believed it would be able to lead the revolution in its own interest and to maintain the rule of the nobility and bourgeoisie. The Tsar should abdicate in favour of his brother Michael, who should, in turn, appoint a government based on a majority of the privileged classes in the Duma.

In fact, the Tsar did renounce the throne in favour of his brother. But the revolutionary workers and peasants, led by their council, made clear to Michael and the Duma that they had not fought in order to replace the old Tsar with a new one. Michael and the Duma had to yield to the threats of the armed masses. Michael declared that he could only accept the crown from the hands of a National Constituent Assembly, elected on the principle of universal and equal suffrage. Until that Assembly could meet, the Duma should appoint a provisional government to run the state.

On 14 and 15 of March, after long negotiations, the Duma Committee and the Council of Workers' and Soldiers' Deputies agreed on the makeup and programme of the new government. The new government was formed from the Progressive Block of the Duma: the nobility's leading spokesman, Prince Lvov, became Prime Minister and Minister of the Interior; the representative of large industry, Gütschkow, became Minister of War; the leader of the Cadets, the party of the national-liberal bourgeoisie, Miliukov, became Foreign Minister. It was a government of the nobility and of the bourgeoisie. Kerensky joined the government as the only representative of the workers and soldiers. He assumed the leadership of the Ministry of Justice. However, the Council of

Workers' and Soldiers' Deputies dictated the new government's programme: full amnesty for all political prisoners; the right to a free press, to assemble, associate, and to form unions; the abolition of all legal restrictions on religious and national groups; replacement of the police by a people's militia; immediate new elections of all local governments on the basis of universal and equal suffrage; soldiers should enjoy full political rights.

During the days of the revolution, telegraphic communications between Petersburg and the provinces was cut off. Only on 15 March did the provinces hear about the great events. Only now did it become plain just how weak the apparently so firmly established system of Tsarist power had been. Middle-class people and peasants, workers and soldiers celebrated the collapse. In the days that followed major changes occurred: councils of workers' and soldiers' deputies formed in all cities, and governors along with their officials, policemen, and gendarmes were arrested. People's militias took over the security service; revolutionary welfare committees initially took over the administration, later to be replaced by local officials elected by universal and equal suffrage. In a few days the revolution had swept the entire country.

On 8 March Nicholas was the bloody absolute monarch of all the Russias. On 15 March Russia was a democratic republic.

Bourgeoisie and Democracy

The March Revolution had transferred state power to the *Provisional Government*, the government of the nobility and bourgeoisie. It should govern Russia until the National Constituent Assembly meets.

But the Council of Workers' and Soldiers' Deputies opposed the Provisional Government. The soldiers trusted it alone and it alone disposed over armed force.

The Provisional Government was fully empowered, as long as it was in agreement with the Council of Workers' and Soldiers' Deputies. It was powerless as soon as the Council opposed it. This was because any government is devoid of power if it is not backed by armed force.

Thus, from the first day of the revolution two forces have vied for control of the state: the government and the council, the bourgeoisie and democracy.

The democracy (*Die Demokratie*)* – this is what one in Russia commonly refers to as the workers, soldiers, and peasants. Since the revolution they have

* Bauer's use of the term 'Die Demokratie' makes for an awkward rendering into English. Whereas the term 'democracy' normally refers to a system of government, Bauer is using 'the democracy' to refer to a set of social groups aiming for democratic change. In what follows, I will translate the term in various ways, e.g., democratic forces, or the democratic movement.

constructed a mighty organisation. Councils of workers' and soldiers' deputies exist in all cities; the representatives of these councils from all over Russia have met in congress in Petersburg and elected an *All-Russian Central Executive Committee*. The significance of the Petersburg Council of Workers' and Soldiers' Deputies, which during the first moments of the revolution formed its mightiest democratic institution, has declined substantially following the formation of the All-Russian Executive Committee. Following the model of the councils of workers' and soldiers' deputies, in March and April councils of peasants' deputies arose in a few districts. Their representatives also met together in an all-Russian congress, which established a central executive committee to represent the councils of peasants' deputies throughout the country. When it is necessary to make important decisions, the All-Russian Central Executive Committee of the Councils of Workers' and Soldiers' Deputies meets with the Central Executive Committee of the Councils of Peasant Deputies. This combination of both executive committees is thus the highest organ of Russian democracy. Usually, one refers to the councils of workers' and soldiers' deputies and of peasants' deputies as *soviets* (soviet = council).⁴

The Social Democrats, who are supported largely by workers, and the Socialist Revolutionaries, who rely primarily upon peasant and soldier support, represent the democratic movement politically. Since the revolution, both parties have created a mighty press and built up strong political organisations. The individual democratic parties struggle among themselves for power within the soviets.

The bourgeoisie stands opposed to the democratic movement. Today in Russia, one can include under this term (bourgeois) all classes involved in the political struggle against the soviets. Therefore, next to the actual bourgeoisie stand the nobility, the generals, and the officer corps. The organs of the bourgeoisie are the Provisional Government and the Executive Committee of the Duma is its headquarters. Politically, the bourgeoisie is represented chiefly by the so-called Cadet Party, the worthy counterpart of the German National Liberals and of the Austrian Nationalists.

4 The Petersburg Council of Workers' and Soldiers' Deputies is often confused with the All-Russian Central Executive Committee of Workers' and Soldiers' Deputies in the German and Austrian press. This makes understanding Russian events very difficult, because the power relations in both bodies are quite different. The workers and soldiers in the Petersburg Council are more radical than the workers and soldiers in the provinces. The radical wing of Russian Social Democracy, the Bolsheviks, has a majority in the Petersburg Council; in the All-Russian Central Executive Committee the more moderate democratic parties, the Social Democratic Mensheviks and the Socialist Revolutionaries, dominate.

From day one the bourgeoisie and the forces of democracy confronted one another distrustfully. The distrust soon intensified to the point of hostility. The democratic movement was dissatisfied with the decrees of the Provisional Government; the bourgeoisie was bitter about the power of the soviets. The first issue that led to open conflict between the rival centres of power was the question of war aims.

The Struggle over War Aims

As in all countries, in Russia, too, the bourgeoisie is imperialist. After the conquest of new countries, the subjection of foreign peoples is its aim.

As in all countries, in Russia, too, the democracy was hostile to war and imperialism. However, while the workers of other countries fell under the spell of imperialism during wartime, Russian democracy remained the deadly enemy of imperialism in war and revolution.

Russian industry needs no foreign lands to market its goods; it still faces the task of conquering the domestic market, which until the war was flooded with German, English, and American products. Russian industry does not require foreign raw materials. Russia must first learn to process the raw materials, which until recently it had supplied to other peoples. So imperialism was unable to convince the Russian worker that his vital interests required the expansion of the fatherland. And the Russian peasants strove for conquests just as little as the Russian industrial worker. The land that he wants to conquer lies within Russia; it is the land of the state and of the church, of the nobility and of the bourgeoisie. Thus, the democratic movement in Russia confronts imperialism more freely and more independently than any other, and only nationalist prejudice can discern a trace of imperialist thinking among Russia's popular masses.⁵ The first word of the Russian Revolution was its declaration of war on imperialism.

After the great victory in March, the Petersburg Council of Workers' and Soldiers' Deputies issued a passionate appeal calling upon the world's nations to end the genocidal war and to conclude a peace 'without conquests or war indemnities and on the basis of the national self-determination of peoples'. But Russian imperialism resisted Russian democracy's desire for peace. The Cadet leader Miliukov, the Foreign Minister of the Russian bourgeoisie, announced to the Allied governments that Russia would continue the war until victory

5 'Russian National Imperialism' is an invention of Karl Leuthner. Indeed, Leuthner is not entirely wrong when he includes the bourgeoisie within the nation; it certainly has, like everywhere else, also gone over to imperialism in Russia. But it is a strange kind of democrat who speaks of the nation when he means the bourgeoisie!

and would retain the plans of conquest, to which the Tsar and the imperialist governments of England, France, and Italy had agreed. On 1 May, just as the Russian working class powerfully announced its desire for peace, Miliukov's note to the Allies became public. The Petersburg workers and soldiers took to the streets. In the face of their armed rising, the bourgeoisie had to capitulate. Its Foreign Minister, Miliukov, and its War Minister, Gutschkov, were driven from office and a new government was formed, which had to declare that Russia would give up all plans of conquest and demand that its allies also revise their war aims. The government will do everything to achieve a peace without annexations and without war indemnities and on the basis of national self-determination. The first battle in the war against imperialism was won. It was the first victory of the international working class over the imperialist bourgeoisie.

The Coalition Government

From March until May the government of the nobles and the bourgeoisie ruled Russia. But when the workers' and soldiers' uprising unseated Miliukov and Guschkov, a new government had to be formed. The new government was substantially different from its predecessor. From March until May the bourgeoisie and the democratic movement, the government and the soviets, had confronted one another as independent powers. Now one attempted to unite them in a joint government. A coalition of the bourgeoisie with the forces of democracy, of the Cadets with the democratic parties, should govern Russia. Kerensky took over the Ministry of War, the Social Democrats Tseretelli and Skobelev* and the Socialist Revolutionary Chernov** entered the government.

It is very easy to divide up the ministers' chairs between bourgeois and socialist [individuals], but it is impossible to bridge over the class antagonism between the bourgeoisie and the proletariat. In spite of the coalition government, the class struggle between the bourgeoisie and the democratic movement continued. It constantly embroiled the coalition government in new difficulties.

* Matvey Ivanovich Skobelev (1885–1938) was a leader of the Mensheviks who served in a number of important posts in the Petrograd Soviet and became Minister of Labour in the Provisional Government.

** Victor Chernov (1873–1952) was the SR's best-known thinker and a major political figure. He served as Minister of Agriculture in Kerensky's government and was the first and only Chairman of the National Constituent Assembly that was elected in November and dissolved by the Bolshevik government after meeting just once in January 1918.

The revolution opened up the nationalities question. The nations enslaved by Tsarism demanded their liberation: Finland wanted its independence and Ukraine its autonomy within Russia. The Russian democratic movement supported these demands, but the bourgeoisie combatted them. The coalition government sought a way out through compromises that could satisfy no one. The bourgeoisie was embittered, because the government conceded broader rights to Finland and recognised the Ukrainian *Rada* as the body to administer a future autonomous Ukraine. The democratic movement was dissatisfied, because the government used violent means against the Finns and the Ukrainians, who were not willing to accept the government's concessions.

After the revolution the guns at the front had grown quiet. In May the bourgeoisie demanded that the army undertake a new major offensive against Austria and Germany. The generals wanted this offensive to serve as a means of restoring discipline in the army that had been shattered by the revolution. It was also desired by the French, English, and Italian governments, which wanted the Russian offensive to relieve their fronts. A large part of the democratic movement resisted this plan; its goal was not to renew, but to end, the war. But British and French imperialism knew how to bend Russia to its will. Russia needed locomotives, agricultural machinery, and cash loans from its allies, but the latter granted this indispensable help only at the price of a Russian military offensive. In order for the Russian government to reach a decision in favour of the offensive, the majority of democrats had to give up their opposition to it. But the internal struggle over the offensive that preceded that decision had greatly sharpened the antagonism between the bourgeoisie and democratic forces.

The issue of the organisation of the army also caused the coalition great difficulties. The strength of the revolution rested on the revolutionary will of the soldiers. The revolution in March had succeeded because of the soldiers; [now] it had to organise the revolutionary soldiers if it wanted to protect itself against counterrevolution. To that end, in March soldiers' committees were formed in individual units. They represented the interests of soldiers against the commanders. They made sure that reactionary commanders did not misuse the soldiers for political ends. They created the connections between the soldiers at the front and the councils of workers' and soldiers' deputies in the interior. The generals hated this democratic organisation of the army. They could not get used to the idea that soldiers were no longer the simple instruments of their commanders, but wanted to be free citizens, or that committees elected by the soldiers themselves could limit officers' authority. Bitter struggles broke out in the army between the generals and soldiers' committees. The bourgeoisie sided with the generals. It demanded the dissolution of the committees,

whose activity destroyed discipline. The forces of democracy sided with the committees, whose influence could prevent whole armies from falling into the hands of reactionary generals and being used against it. The coalition government sought in vain to mediate, [but] because it was equally dependent on the bourgeoisie and the democratic movement, it could neither fulfil nor reject all the demands of the generals and became the object of intense attacks by both parties.

Thus, the struggle over political and military questions rattled the coalition government. However, the greatest dangers grew out of the intensified social antagonisms.

The Sharpening of Social Antagonisms

The March revolution powerfully increased the self-consciousness of Russia's workers. It had overthrown Tsarist absolutism. Should they now tolerate the absolutism of the factory and mine owners? The workers first achieved the eight-hour day after the collapse of Tsarism. The factory owners dared not resist this demand of the armed workers and soldiers. A powerful movement then began for higher wages, and workers' wages everywhere were raised between one hundred and two hundred percent. However, along with these successes grew the capitalists' resistance. The capitalists began to fight against further wage increases. The workers prepared for major strikes, while the business owners prepared large-scale lockouts. Now the government had to intervene. It sought to get the workers to reduce their wage demands and to convince them to subordinate themselves to the decisions of arbitration boards rather than going on strike. It also worked to intimidate the business owners and to hinder lockouts sequestering closed-down plants and, at the cost of the owners, using officials to administer them. In this way the government sought to simultaneously exert pressure on workers and business owners. However, it also thereby encouraged the dissatisfaction of both groups.

The struggle over the agrarian question attained even more significance than the fight over wages. The peasants did not want to wait until the National Constituent Assembly decided the land issue. The government could not allow the peasants to take over the land today here, tomorrow there, on their own, and using violence against the landlords. So an agricultural organisation had to be created that could temporarily regulate land ownership in the countryside. To that end, Chernov, the Socialist Revolutionary serving as Minister of Agriculture in the coalition, called for the peasants to elect agricultural committees in every district.

In most of Russia, the large landowners did not work the land themselves but rented it out to peasants. Now rents are no longer based upon agreements

between the peasants and landlords but are fixed by the agricultural committees. The peasants often no longer pay rent to the large landholders, but to the committee, which will hold onto it until the National Constituent Assembly decides whether it belongs to the landlords or to the peasants.

In other parts of the empire the landlords themselves have worked the land. Since the revolution, however, the estate holders can no longer pay the wages necessary to operate their farms. The peasants resist working in the nobles' fields. The agrarian committees refuse to place prisoners of war at the owners' disposal. The land is left uncultivated. Now the agrarian committee intervenes and declares that no land can be left uncultivated. Because the landlord cannot operate the farm, the agrarian committee hands it over to the peasant community for its use.

Thus, thanks to the activity of the agrarian committees, the expropriation of the large landholders has already been carried out in large parts of Russia. Naturally, this expropriation has given rise to the most passionate resentment of the bourgeoisie. Its bitterness is directed against the coalition government, and above all against the Minister of Agriculture, Chernov, who had carried out this transformation of property relations.

The class struggle between bourgeois and the democratic forces shook the coalition government. At the same time, however, it also sharpened the antagonisms within the democratic movement.

Differences within the Democratic Movement

Two large parties, the Social Democrats and the Socialist Revolutionaries, lead the democratic movement. Even at the beginning of the revolution, there were various [political] tendencies within both parties and the great struggles from March until July intensified the antagonisms among them.

Russian Social Democracy has been divided into two factions since 1903. The split occurred at the party congress that year. One group, which had a majority of the votes at the congress, is called the *Bolshevik* (or majority) faction. The other, minority group, is called the *Menshevik* (or minority) faction. Each of these factions had an independent organisation and its own party press. However, both recognise the fundamental principles of social democracy and oppose the Socialist Revolutionaries.

The Bolsheviks reject any alliance with the bourgeoisie. The revolutionary proletariat [they believe] can only ally itself with the revolutionary peasantry. They opposed the formation of a coalition government in May. The forces of democracy should not form an alliance with the bourgeoisie, but rather should set up a workers' and peasants' dictatorship. To that end, the councils of workers, soldiers, and peasants' deputies should sweep away the government and

seize state power. The Bolshevik slogan is *all power to the soviets*. The Bolshevik leaders are Lenin, Zinoviev, Kamenev, Lunacharsky and comrade Kollontai. Trotsky and Riasanov are also close to them; Maxim Gorki, Russia's greatest poet, was often at their side. The Polish and Lithuanian Social Democrats are allied with them.

The Mensheviks have a different perspective. In Russia the working class is still a minority of the population; a workers' dictatorship in Russia remains unthinkable. The Russian Revolution can only be a bourgeois revolution and its result can only be a bourgeois republic. In a bourgeois revolution one cannot dispense with the cooperation of the bourgeoisie and in a bourgeois republic one cannot exclude the bourgeoisie from power. The effort to create a soviet dictatorship only would drive the bourgeoisie into the camp of counter-revolution and bring about the defeat of the revolution and the restoration of absolutism. The working class must push the bourgeoisie forward, but it is not yet strong enough to dare to attempt to drive it from the throne. The Menshevik leaders are Tseretelli, Chkheidze, Dan, and Skobelev. By its side also stands the Jewish *Bund* under Liber's (*sic*) leadership.

The revolutionary storms were not favourable to the Mensheviks' timid politics. Two groups broke away from them: Plekhanov's *Social Patriots* moved to the right, while Martov's group of *Internationalists* moved to the left.

The fate of the Russian social patriots shows what happens when a Social Democratic party succumbs to the influence of nationalism. When, in May, the whole Russian democratic movement opposed the bourgeoisie's 'war to victory' slogan with its demand for peace without annexations or war indemnities, Plekhanov's group stood with the bourgeoisie rather than with the forces of democracy. Plekhanov's little group had excluded itself from the democratic ranks. Counterrevolutionary organisations of military officers hail Plekhanov, but in the soviets he has no influence.

Much more important was the split on the left: the formation of the Internationalists as an independent faction of left-wing Mensheviks. The Internationalists opposed Social Democracy's entrance into the government; they foresaw that participation in the coalition government would not strengthen, but would weaken, the democratic movement. They combatted the timid policy of the soviets, which repeatedly made concessions to the bourgeoisie. They predicted that such a policy would shake the masses' trust in the soviets and reduce soviet authority. Above all, however, the Internationalists fought against the government's compliant response to the allies. To them, the next and most important task of the revolution is to end the war as speedily as possible. Therefore they resisted the offensive with all their might. Martov,

Marinov, and Semkowski stand in the forefront of the Internationalists. The Polish Socialist Party (left), led by Lapinski, is allied with them.

The differentiation among the Mensheviks is not yet complete. The universally respected, venerable Axelrod, along with Plekhanov one of the founders of Russian Social Democracy and, with Martov, of the Menshevik Party, cannot yet bring himself to leave his old party, although he stands closer to the views of the Internationalists than to the Menshevik block. Essentially, however, Russian social democracy has disintegrated into three currents: the Menshevik Party led by Tseretelli, the Internationalists led Martov, and the Bolshevik Party led by Lenin. The social patriots rally around Plekhanov, but they can hardly be described as social democratic.

Like the Social Democratic Party, the Socialist Revolutionary Party today is no longer the same as it was in March. It has exercised the strongest attraction on the popular masses that before the revolution were not influenced by any party. Great masses of peasants and of soldiers, of petty bourgeois, and of intellectuals have joined it. Local elections have shown that the Socialist Revolutionaries are the strongest party in Russia today. But the inflow of these new masses – the March Socialists, who became revolutionary only after the victory of the revolution – has changed the essence of the party, weakened its revolutionary power to act, and watered down its socialist character. The left wing of the party, the so-called *Maximalists*, resists this development; it holds fast to its socialist-revolutionary principles. As a rule, in the political struggle the Maximalists work hand-in-hand with the Bolsheviks.⁶

The majority of the workers of Petersburg and Moscow follow the Bolsheviks; in the provinces the Mensheviks are stronger. The Socialist-Revolutionary following consists primarily of soldiers and peasants. For the most part, a coalition of Mensheviks and Socialist-Revolutionaries dominates the soviets, while the Internationalists, Bolsheviks, and Maximalists form the opposition.

The July Uprising

The struggles from March until July steadily widened the breach between the bourgeoisie and the democratic movement. The joint work of the leaders of both sides in the coalition government became increasingly difficult. In July the bourgeoisie finally decided to dissolve the coalition. The ministers from

6 The German and Austrian Press confuse the Bolsheviks with the Maximalists. As a rule they speak of the Maximalists when they mean the Bolsheviks. Because they call the Bolsheviks Maximalists, for the Mensheviks they have invented the senseless (and in Russia unknown) designation of Minimalists.

the Cadet Party resigned. The soviets, led by Socialist-Revolutionaries and Mensheviks, began to negotiate the formation of a new coalition government with the bourgeoisie; they were ready to make concessions to the latter in order to convince the Cadets to return. The Bolsheviks protested against this. They believed the hour had come to dethrone the bourgeoisie and to set up the workers' and peasants' dictatorship. Their slogans were: *'No more coalition government! Form a democratic government! All power to the soviets!'* From 16 July until 18 July, workers, individual units of revolutionary soldiers, and Kronstadt sailors demonstrated on the streets of Petrograd for these demands. The Central Executive Committee of the Soviets, however, maintained its coalition with the bourgeoisie and refused to take power into its own hands. The demonstrators then tried to force the soviets to bend to their will. An armed crowd surrounded the Tauride Palace, in which the Soviet Executive met. The demonstrators' weapons were aimed against the soviets and they drove their machine guns right up to the Tauride Palace. Seeking relief, the Executive called for military support, and infantry and cavalry units hurried to protect the Soviet. A bloody street fight broke out between Bolshevik and Soviet troops. The latter cleared the way with artillery salvos. The Bolshevik rising was bloodily crushed.

During the conflict on the streets of Petersburg, bloody battles raged at the front. The offensive, which had been undertaken against the will of the revolutionary soldiers, ended in a miserable defeat. The Russian troops had to abandon Galicia and Bukovina. Tarnopol and Czernowitz fell into enemy hands.

These events gave the bourgeoisie the welcome incentive for wild agitation against the democratic movement, especially against its left wing, the Bolsheviks. They were accused of conducting agitation to destroy discipline at the front, of causing the defeat, and of using demonstrations in the hinterland to foment civil war. In an atmosphere of patriotic anxiety intensified by the defeat at the front, these accusations resonated widely in the petty-bourgeoisie, among intellectuals, and even among peasants and soldiers. A wild persecution of the Bolsheviks began; their leaders were arrested and newspapers shut down.

On the other side, the whole left wing of the democratic movement became bitter toward the soviets, which had used troops against the workers and tolerated the persecution of the Bolsheviks. The workers and soldiers had supported the soviets; now, however, the revolutionary workers were bitter toward the soviets, and the units of revolutionary soldiers that had participated in the July uprising were dissolved, their troops dispatched to other regiments, and sent to the front. In this way, the power of the soviets was substantially reduced. The Bolsheviks had reached the opposite of what they had wanted.

Kerensky's Dictatorship

The coalition government that formed in May had dissolved even before the July uprising due to its internal antagonisms. After the suppression of the uprising, negotiations began to form a new coalition government.

The one man who could take charge of the new government was Kerensky. His name was well known to the masses of soldiers and peasants; he was one of the men who had led the movement in March. He also enjoyed the trust of the bourgeoisie. As war minister in the first coalition government he had worked energetically to restore discipline in the army and to carry out the offensive. Thus, he was the only man who was acceptable to both the democratic movement as well as to the bourgeoisie; the only one who could be entrusted with the appointment of other ministers. The new situation was completely misunderstood abroad. In the press one referred to Kerensky's *dictatorship* and in publications hostile to the revolution even of *Tsar Kerensky*. In reality, Kerensky's government was anything but a dictatorship. It was a compromise between the forces of democracy and the bourgeoisie. Kerensky's oscillating politics, which were rather more adaptable than decisive, reflected the changing power relations between the bourgeoisie and the democratic movement.

The July uprising and the defeats at the front had strengthened the bourgeoisie and weakened the forces of democracy. Therefore, Kerensky at first shifted to the right. In the new government that formed in early August the Cadet party was stronger than in the earlier coalition. Tseretelli, the Menshevik leader, left the government and only Labour Minister Skobelev represented Social Democracy. On the other hand, despite the urging of the bourgeoisie, Kerensky did not dare to remove the Socialist-Revolutionary, Chernov, from his post as Minister of Agriculture, because the dismissal of this man, whose name had come to symbolise the agricultural reform, would have been a provocation to the peasantry.

As was true of its membership, the politics of the new government also reflected the strengthening of the bourgeoisie. The Bolshevik leaders were under arrest, although one was unable to press charges against them. The death penalty, abolished at the beginning of the revolution, was reintroduced at the front, while any political agitation there was made impossible. The Foreign Minister declared that after the defeats at the front there could be no more talk of peace. The elections to the National Constituent Assembly were postponed.

All of this embittered the masses. The Bolsheviks, silenced after the July uprising, raised their head again threateningly. The Internationalists won growing influence among the masses, which had earlier followed the Mensheviks.

Moreover, opposition to the apprehensive attitude of the soviets also grew among the Socialist-Revolutionaries. By the second half of August the democratic movement was already growing stronger. Kerensky immediately began to shift to the left. In his speech to a large national conference, which met in Moscow at the end of August, he portrayed himself as ready to confront the attacks of the right and to look to the forces of democracy for support.

The bourgeoisie was then unhappy with Kerensky. He was not the man to suppress the democratic movement. The bourgeoisie placed its hopes on another man: General Kornilov should accomplish what Kerensky was neither able nor willing to do.

Kornilov's Rebellion

Leading an infantry division in Galicia in 1914, General Kornilov had won much-lauded victories. In 1915 he and his division wound up as prisoners of the Austrians as they bravely covered the Russian army's retreat. He succeeded, however, in escaping and in 1916 and 1917 new victories in Galicia made him a popular figure in Russia. Kerensky made him the army's top leader.

The bourgeoisie now placed its hope in this man. Supported by armed force, he should take control of the state, disperse the councils of workers' and soldiers' deputies, dissolve the soldiers' committees, and restore order and the power of the bourgeoisie.

At the beginning of September, Russia suffered a new defeat. Riga fell to the Germans. This defeat disturbed the population of Petersburg. Kornilov believed he could take advantage of this sentiment in order to take power as the *saviour of the fatherland*. He issued an ultimatum to the government: Kerensky should resign and transfer unlimited power to him. Because Kerensky rejected this demand, Kornilov placed himself at the head of some regiments marching on Petersburg. Before blood was shed, however, the rebellion collapsed due to the revolutionary attitude of the soldiers. As soon as they learned what was at stake, they refused to obey the rebel general. The first attempt at an armed counterrevolution had failed.

But this attempt altered the power relations between the bourgeoisie and the democratic movement. The bourgeoisie, whose leaders were suspected of conspiring with Kornilov, was compromised. The parties within the democratic movement, which had resisted the coalition with the bourgeoisie, were strengthened. Not only the Bolsheviks and the Internationalists demanded that the democratic forces should break with the Cadets; opposition also grew among the Socialist-Revolutionaries. Chernov took the lead in the struggle against Kerensky, who continued to support a coalition of democratic forces with the Cadets. The Petersburg Council of Workers' and Soldiers' Deputies

called for the formation of a democratic coalition without the bourgeois parties. The All-Russian Central Executive Committee could no longer simply reject this demand and decided to call a conference of democrats from all over Russia. It should decide how Russia should be ruled.

The Democratic Conference

Along with the representatives of the soviets and other democratic organisations, delegates from local government, elected on the basis of universal and equal suffrage, also participated in the conference. The presence of these delegates gave the petty bourgeoisie substantial influence on conference decisions.

The Bolsheviks, the Internationalists, the Socialist-Revolutionary left wing (the Maximalists) and centre, led by Chernov, formed the left at the conference. These parties rejected the coalition with the bourgeoisie, which had unmasked itself during the Kornilov mutiny. The democratic forces should take power in their own hands.

The Mensheviks and the Socialist-Revolutionary right wing, led by Axentiev, formed the right at the conference. These parties demanded the formation of a coalition government including representatives of the bourgeoisie and the democratic movement.

The petty bourgeoisie, which continually vacillated between the bourgeoisie and the democratic parties, feared the break with the bourgeoisie. The votes of its conference representatives secured the right a slim majority. In this way it was decided to form a new coalition government chaired by Kerensky.

However, the bourgeoisie dispatched its representatives to the new government only under the condition that it had secured decisive influence: the majority of new ministers had to consist of representatives of the bourgeoisie. And while the bourgeoisie is represented by some of its most important personalities, the democratic representatives in the new government were men drawn from the democratic movement's extreme right. Thus, Tseretelli or Skobelev do not represent Social Democracy, but rather the very moderate comrades Nikitin and Gwozdev, who were close to the Plekhanov group. Chernov no longer represents the Socialist-Revolutionaries, but Axentiev. The make up of the new government is a victory for the bourgeoisie.

The democratic conference appointed a pre-parliament, the *Provisional Council of the Russian Republic*, to control the government. The members of this parliament are elected partly by the democratic conference, they are partly chosen by the organisations of the Cadets and by the industrial associations. This decision was also a concession to the bourgeoisie. The bourgeoisie fears the National Constituent Assembly and is especially fearful of an electoral contest at the front. In order to put off the election of the Constituent Assem-

bly, one had created the pre-parliament as a surrogate for genuine popular representation.

Kornilov's defeat had strengthened the democratic forces. But the strengthening of democracy had intimidated the petty bourgeoisie and driven it into the arms of the bourgeoisie. The influence of the petty bourgeoisie at the democratic conference had resulted in a new victory for the bourgeoisie.

But the worker masses resisted the bourgeoisie's victory. The workers are openly challenging the new government. In the Petersburg Council of Workers' and Soldiers' Deputies the Bolsheviks clearly have taken over the leadership; instead of the Menshevik Chkheidze, the Bolshevik Trotsky has been elected chair. Large-scale strikes threaten the new government: The railroad workers and the workers in the petroleum industry have decided to down tools.

Under such circumstances it is very improbable that the new coalition government will succeed in exercising power. It will be very difficult to maintain the alliance between the bourgeoisie and the democratic movement.

Either the forces of democracy will liberate themselves from the timid leadership of the Mensheviks and the right wing Socialist-Revolutionaries, overthrow the coalition, and form their own, purely democratic government that will rapidly lead Russia toward a National Constituent Assembly or it will be left to the bourgeoisie, conspiring with another Kornilov, to suppress democracy, destroy its organisations, and set up a military dictatorship in its own interest.

The Prospects of the Russian Revolution

Russia is an agrarian country in which the workers form a minority of the population. The Russian Revolution cannot end with the dictatorship of the proletariat; it cannot establish a socialist society. Even if the Russian Revolution overcomes all of the dangers that threaten it, its result will be nothing other than a bourgeois democratic republic.

However the bourgeoisie will not lead the fight for the bourgeois republic. Instead of industrialists, salesmen, and intellectuals, the democratic movement of peasants, workers, and soldiers will lead it. Only the alliance of the workers with the peasants can lead Russia to the National Constituent Assembly, the election of which the bourgeoisie, fearful of the revolutionary majority, has steadfastly delayed.

Workers and peasants will remain allied, as long as the peasants are revolutionary. And the peasants will remain revolutionary, as long as the agrarian question remains unresolved with the large estates still intact. Only when the National Constituent Assembly has decided in favour of the great agricultural transformation will it satisfy the peasants. Only then will the Russian peasants

become conservative, as they have in France, Germany, and Austria after the bourgeois revolution. Only then will the class antagonism between peasants and workers also become visible in Russia and will the peasants then ally themselves with the bourgeoisie against the workers. The agrarian revolution must be secured before the peasants will lift the bourgeoisie to power.

If the Russian Revolution is victorious, it will result in a bourgeois republic. It will be a bourgeois republic, however, in which the bourgeoisie will base its power on a democratic peasantry with revolutionary traditions; a bourgeois republic, in which the workers are guaranteed complete political equality, the right to organise, and the eight-hour day; a bourgeois republic, in which the land is no longer private property but the joint property of the people.

But the victory of the revolution is not yet secure. The bourgeoisie, shaken by workers' power and trembling in the face of the agrarian revolution, is waiting for the opportunity to bloodily crush the democratic movement and to establish its absolute rule behind the name of some great lord [or] behind the bayonets of some general. The danger of counterrevolution is large. It will become much greater through the continuation of the war.

The Revolution and the War

Peace or Counterrevolution

As so often in world history, war is also in this case an instrument of historical progress. The war shook the power of Tsarism, it placed all the classes of Russian society at odds with Tsarist authority, and it organised and armed the revolutionary peasantry in Tsarist regiments. The war paved the way for the revolution.

But if the war was an instrument of historical progress until March, since that time it has become an instrument of historical reaction. If the war paved the way for revolution, its continuation is the most serious danger for the revolution's final victory.

When the workers and soldiers overthrew bloody Nicholas, the Russian people hoped that the war would be ended in a few weeks. *The Revolution is peace* – that was what Russian workers believed, that was the hope of Russian soldiers. But the war continued after the revolution. The longer it lasts, the greater the people's disappointment. The counterrevolution is already taking advantage of this disappointment. Here and there the Tsarist *Black Hundreds* are stirring again.* 'The Democrats have overthrown the Tsar, because

* Formed during the Revolution of 1905 and unofficially backed by the monarchy, the Black Hundreds was a pro-Tsarist, ultra-nationalistic, xenophobic, and anti-Semitic movement

he wanted to sign a separate peace with Germany; the people must liberate themselves from democracy, from the instrument of warlike England, in order to achieve the much desired peace'. In this way the monarchists attract the war-weary people. Bonaparte, as the victor in war, had set up his imperial throne in France on the rubble of the great revolution; a Russian Bonaparte will win over the people and bury the revolution as the bearer of peace.

Even before the revolution Russia was in a state of the most terrible economic disorder. The railroad system is worn out and Russian industry is incapable of renewing itself; traffic had to be reduced from one month to the next. The railroads are no longer able to deliver bread to the cities or needed raw materials to industry. While in southern Russia large amounts of wheat are stored, there is no bread in Petersburg; while there are ample supplies of coal in the Donetz area, factories in Petersburg are closed because there is not enough coal to heat a kettle. For the mass of the people, the dangers of starvation and unemployment looms.

The selfishness of the bourgeoisie increases the economic dangers. It uses the disorder of the administrative apparatus to hide taxes from the state. It denies the state war loans and [consequently] great Russia has raised less money domestically than tiny Austria. The bank notes with which the state pays for wartime expenses do not flow back to the state treasury because the bourgeoisie pays no taxes and underwrites few war loans. Thus the amount of money in circulation is growing to frightening levels. The buying power of bank notes sinks from week to week. Inflation in Russia is much more oppressive than in Germany and Austria.

As a result of rising wages and the reduction of work time, many factories and mines are no longer able to make a profit. Of what concern is it to capitalists, that the state needs coal and industrial products? If the factories and mines cannot operate profitably, then capitalists want to shut them down. They don't worry about the provision of raw materials and the supply of labour; if the most necessary things are missing, then the capitalists have the welcome pretext to close down their plants and mines. While the coal shortage endangers the operations of the railroads, in the Donetz area more than seventy coalmines are closed.

The war, which binds all the economic forces of the country, makes it impossible effectively to combat the chaos of the Russian economy. The crisis in

known for its violent attacks against opponents of the regime and Jews. It had a substantial press and drew support from estate holders, rich peasants, bureaucrats, merchants, and clergymen.

economic life becomes increasingly dangerous as the danger of hunger riots and revolt among the unemployed grows. And every such riot, every such revolt, can be used by the looming counterrevolution for its own aims.

If the war continues for much longer, the force that will use the disappointment of the nation and the economic emergency for its own purposes will emerge in the army.

Until the revolution, the Russian soldier was a weak-willed slave; manly discipline in the army was the discipline of blind obedience and of slave-like subordination, the discipline of the whip and the lash. The revolution interrupted this mechanical discipline. The officers no longer had the power to lead the soldiers into the fire against their will. In place of the mechanical discipline of fear came the discipline of a revolutionary army, which is based on citizens' recognition of duty and on their love of freedom and fatherland. Russian soldiers no longer do their duty out of fear of punishment; they risk death to forestall the enemy's invasion of liberated Russia.

The old mechanical discipline has been destroyed in the whole Russian army. But the new democratic discipline is not yet strong enough to fully replace it. This is mainly the result of the low cultural level of a large part of the Russian peasantry. Many a Russian soldier justifies desertion by asking, 'How does the war concern me? My farm lies on the Volga, the Germans will never come that far'. But there are also others, more enthusiastic about liberated Russia, who are unwilling to fight and to die for it. 'What are we fighting for?' they ask, 'Russia has renounced all conquests. Should we sacrifice our lives in the pay of British imperialism?'

Thus, the Russian Revolution was not able to replace the old, mechanical discipline with the new revolutionary one. Desertions in March and April, the large-scale outrages of many units behind the lines and at the front, and the flight of some regiments at Tarnopol and in Romania have proven that enthusiasm for free Russia is not enough to maintain discipline in much of the army.

War is impossible without discipline. If the war lasts longer, then Russia must restore discipline in the army. If the conscious discipline of the free citizen proves inadequate to the needs of a battle-ready army, then the officer corps must again be given the means it used to discipline soldiers under the old regime. The revolution unavoidably will have to make this decision if the war continues. But what does the reestablishment of mechanical discipline mean for the ideals of the revolution?

The soldiers are revolutionary-minded; the officers are disposed toward the counterrevolution. Mechanical discipline will subordinate the revolutionary soldiers to the command of counterrevolutionary officers. It will transform the

army, which has been a pillar of the revolution since March, into the instrument of counterrevolution. In September Kornilov's uprising failed because the soldiers refused to obey him. If mechanical discipline is restored, then another Kornilov, irrespective of the will of the subordinated soldiers, will crush the revolution.

Thus, the circle is closed. If the war continues, the people's disappointment and the national economic emergency will create the opportunity for a bold army leader to dare to deliver a decisive blow to the revolution. He will act when discipline is restored in the army. And the revolution itself must restore discipline, if the war continues. Therefore if the war continues for very long, the revolution is lost. Russia's democratic movement faces the question: *peace or counterrevolution*? If it fails to achieve peace, then the victory of counterrevolution is inevitable.

The Russian Revolution and International Imperialism

Russia's democrats want peace; they must want it, because only peace can save democracy. Since the great days of March, the democratic movement has used its power for peace; nevertheless the war has continued. Why? What weakens the power of the democratic movement in the struggle for peace?

German armies have occupied Poland, Lithuania, and Courland. What should happen to these lands in the future? The German annexationists demand that Courland become German and that Poland and Lithuania come under German control. The German government rejects any explicit declaration. Indeed, it says it wants a peace without conquests or war indemnities. But the Chancellor adds that the peace must give Germany security and guarantees against future threats. And the Kaiser praises the conquest of Riga as the liberation of a German city from foreign domination. The Russian people reads all that with apprehensive mistrust. It sees in the Chancellor's equivocation and the Kaiser's celebratory language of victory evidence that the German Empire aims for conquests at Russia's expense. If, nevertheless, Russia's democratic movement demands peace, the bourgeoisie throws the accusation back in its face that the democrats would purchase peace by selling out Courland and Lithuania, and giving up Libau, the only usable ice-free port on the Baltic, and abandoning the Latvians, Lithuanians, and White Russians to foreign German domination. And the Latvians themselves, whose whole history is one of struggle against the German barons, protest against the yielding of their country to Germany.

Russia's democratic movement wants peace. After the revolution it recognised Poland's freedom; it will not continue the war in order to re-conquer Poland. But it cannot and will not accept the surrender of Courland and of

Lithuania to Germany. A peace achieved at such a price would damage not only the vital interests of Russia, but it would clash with the fundamental principles of democracy [including] the right of all nations to self-determination.

Thus, the struggle of Russia's democratic movement for peace is made exceedingly difficult as long as Germany is not ready to give up all conquests at Russia's expense.

The Russian Revolution fights not only for the vital interests of the Russian people; it is at the same time the trustee of the principles of international democracy. It would place itself in a contradiction with its own principles if it wanted to accept a peace that would eliminate the sovereignty of Belgium, Serbia, and Romania. As long as the German imperial regime is not prepared to restore the sovereignty of Belgium, Serbia and Romania, Russia's democratic movement cannot make peace.

The strength of German imperialism is the weakness of Russian democracy. Every effort to achieve peace is blocked as long as the Pan-German annexationists' influence on the German imperial regime remains unbroken and as long as the German Reich does not openly and clearly renounce the forcible incorporation of conquered territories or their military and economic subordination.

The Russian democrats' desire for peace shatters against the strength of German imperialism. The fetters imposed upon it by British, French, American, and Japanese imperialism bind it.

Russian industry cannot satisfy the needs of the Russian economy and of the Russian army. If rail traffic is to continue, Russia must import locomotives and railcars from America. For the army to succeed against German industrial might, Japan must send it artillery and shells. England must provide machinery, so that Russia's factories and mines can meet demand. France must grant Russia an extension for its [debt] payments and guarantee its loans so that the Rubel does not lose value. Every week the Russian government has to beg its allies for economic concessions, but the capitalist governments of England, France, America, and Japan do not grant them for nothing. Russia must launch an offensive in order to get locomotives. It must vow not to break with the Allies in order to receive agricultural machinery. Russia must withdraw its demand that the Allies revise their war aims, or they will refuse it the economic help that it cannot do without for a single day.

A separate peace with Germany and Austria also could not liberate Russia from this oppressive economic dependence. Without locomotives and railcars, which only America can deliver to the Russians, the Russian railroads cannot fulfil the tasks of demobilisation. Without the capital, raw materials and the industrial products of France, America, and England, the reconstruction of the Russian economy is impossible. After the war, Germany would not at all be in

a position to deliver all that Russia needs for its economy. Thus, Russia does not dare sign a separate peace with Germany. England, France, Italy, America, and Japan need not worry about Russian democrats' protests against the war's continuation. Since Russia cannot sign a separate peace, it must continue the war against its will until those with power in London, Paris, and Washington decide to end it.

However, should Russia dare, despite its economic dependence on the alliance, to sign a separate peace, the Entente still has one iron in the fire. In the Far East, Japan lies in wait for its Russian inheritance. Today England and America do not allow Japan to take the Russians from behind. If Russia were to be disloyal, however, they would give Japanese imperialism a free hand in East Asia. Defenceless Russia would then be delivered up; it would not be able to fight from the Baltic to the Pacific, from the Pripyet Marshes to Manchuria. Fear of Japan holds Russia in the train of British Imperialism.

Russia can neither sign a peace without its allies nor can it force them to sign a peace. It must then be content to request its allies not to draw out the war for too long. And it cannot make these requests too emphatically or the power holders in London will cut a deal with the Germans at Russia's expense.

And so Russia remains a prisoner of British imperialism. The Russian nation has liberated itself from Tsarism. But it has not yet become free: it remains in the chains of British and American capital. Contrary to its needs and its will, it must continue the war. Its sons must fight and die in the service of English capital.

The Russian Revolution cannot end the war as long as the German workers cannot break the power of the German annexationists. It also cannot achieve peace, as long as the workers of England, France, Italy and America cannot impose peace on their countries. The democratic forces of one country are too weak to restore peace; to achieve that end requires the cooperation of democrats in all lands.

Russian Socialists and Peace

The revolution has sought the path to peace since March. The democratic movement is united in its desire for peace, but the parties argue about the means to achieve it.

The Bolsheviks want to bring about peace via the revolutionary path. The democratic movement should seize power, proclaim the dictatorship of the proletariat and revolutionary peasantry, and move forward with the great work of social transformation. Such a great example would encourage the workers of other warring states to move beyond the national framework of the revolution and cause an international revolution. Only when the working class con-

quers power in all large capitalist countries, will they create the foundation for a democratic peace, a peace based on the right of all peoples to national self-determination. Not the governments, but only the liberated peoples can conclude such a peace.

The Internationalists do not share the hope that the democratic movement can unleash an international revolution and thereby bring about peace. They believe, rather, that peace can be achieved through the energetic actions of Russia's democrats. The Russian Revolution should declare it is not bound to the treaties signed by the Tsar with the Allies. It should announce its peace terms publicly and assert that Russia is ready for an immediate peace when Germany and Austria accept its demands. If Germany and Austria accept the democratic movement's terms, Russia would not allow British and French imperialists to force it to continue the war. The Internationalists hope that such a declaration would unleash a strong people's movement in France, England, Italy, Germany, and Austria-Hungary for a democratic peace, for a peace in keeping with the terms established by the Russian democratic movement, and would thereby lead to a general peace.

The Mensheviks and the Socialist-Revolutionaries believed that Russia's economic and military dependence on its Allies do not allow for a declaration that would lead to a break with them. The Russian Revolution cannot unleash the international people's movement for peace by itself, but on the contrary, it can only occur through the agreement among the workers' parties of all countries. To that end the soviets called for an international socialist congress in Stockholm.

But the hope for Stockholm was delusional. The French and the English governments refused to issue visas to the socialist delegates for the trip to Stockholm and the French Socialists and the English Labour Party did not challenge their governments. That was a heavy blow to the Russian Revolution: The path to peace chosen by Russia's leading democratic parties was blocked.

One rightly holds the French Socialists and the English Labour Party responsible, but to the German and Austrian workers it is hardly proper to accuse their French and English comrades. On the contrary, they have to consider whether it was not their own policy since the beginning of the war that had greatly contributed to the opening of such a wide gulf among the individual parties. Bridging this gulf, which now requires joint action, is not easy.

At the beginning of the war the central European social democrats, just like those in the West, capitulated to imperialism. When the German Social Democrats agreed to the *Burgfrieden* and the French agreed to the *Union Sacrée*, every bond between Central and West European Social Democracy

was torn asunder. When the socialists allied themselves with imperialism, the International was destroyed. Today this destruction takes revenge on the Russian democratic movement. Endangered by the continuation of the war, it has vainly called upon the International to impose peace. As long as the socialists in Western and Central Europe still serve imperialism, they cannot rush to help the democrats in Eastern Europe.

The Revolution and the International

The Meaning of the Russian Revolution for the European Proletariat

Tsarist Russia was a bulwark of political reaction. Revolutionary Russia is a pioneer of democracy. If the revolution wins in Russia, then that great country will become a model of democracy. *One* chamber, elected through universal, equal, direct, and secret ballot of all men and women and selected using proportional representation, will make the laws. State, county, and local assemblies, elected in the same way, will administer the country; a democratic militia will replace the standing army. Such a transformation will also strongly influence Russia's neighbours. All local governments in Russia are already newly elected on the basis of universal and equal suffrage for all men and women. Is it conceivable that the German and Austrian workers will continue to tolerate the privileged franchise of our state assemblies and local governments when they become aware that in Russia the privileges have disappeared? Will personal rule in Germany, Junker domination in Prussia, bureaucracy in Austria, and oligarchy in Hungary hold out next to Russian democracy. Today trenches block transportation from country to country and wartime shortages keep spirits in check. Once peace has arrived and traffic again flows over the borders and nations' minds are again receptive to domestic questions, then German and Austrian workers will become aware of what their Russian comrades have conquered. One will not be able to deny to the workers of Central Europe what the peasants of Russia are no longer able to give up. The victory of the Russian Revolution will pave the way for democracy, too, in Germany, Austria, and Hungary.

Tsarist Russia enslaved Poles and Ukrainians, Latvians and Estonians, Jews and Tatars, Georgians and Armenians. The revolution brought freedom to all of Russia's peoples. If the revolution is victorious, Russia will become a federal state of autonomous nations. Austria will be lost, if it does not grant to its peoples what their national comrades in Russia enjoy. National autonomy, realised in Russia, will become irresistible in Austria-Hungary.

The eight-hour day has been achieved in the ironworks of the Donetz and in the Urals. In Rhineland-Westphalia and in Silesia, in Bohemia and in the

Steiermark the working day in the ironworks remains twelve hours. Will Central European workers tolerate a longer working day than the Russians, whose labour productivity is much lower? The victory of the Russian Revolution will lead to the victory of the eight-hour day around the world. The struggle for the eight-hour day in Germany will draw the workers in the foundries, enslaved and forced into yellow unions, into the labour movement; it will smash the factory feudalism of heavy industry; it will become the decisive struggle of the working class against the mightiest capitalist organisations – against the capitalists who are the real champions of imperialism.

The Russian Revolution will wrest the soil from the landlord class and arrogate it to peasant communities. Will the land hungry Ruthenian peasant in Eastern Galicia, who stands against the Polish nobleman, remain quiet, if the landlords in Polodia and Volhynia are expropriated? Can the agrarian constitution of Hungary, Poland, and Romania be maintained, if the agrarian revolution in Russia is victorious? If the revolution wins, rural property relations will be transformed throughout Europe. Such an enormous agrarian revolution will also influence Central Europe. The Prussian Junker, the Bohemian large landed-estate owner, and the Hungarian magnate will find no migrant workers as soon as the Polish and Russian peasants have enough land. The agrarian question has been opened up in all of Central Europe. The masses of landless proletarians in the villages, who today still follow the agrarian capitalist parties, will be summoned into the battle for land. The end of Junker domination in Germany will follow the fall of Junker agriculture in Prussia; the collapse of estate-based agriculture is accompanied by the collapse of the power of the Bohemian aristocracy and the Hungarian magnates.

Thus, the Russian Revolution also opens up all the great social and political questions for Central Europe. If democracy wins in Russia, then the bell tolls in Central Europe for the decisive struggle against the domination of the factory feudalism and agrarian capitalism. The victory of the Russian Revolution guarantees the victory of democracy in Germany and in Austria-Hungary. Therefore it is a vital interest of the whole European proletariat to support the Russian Revolution. In its own interest, the European proletariat must prevent the continuation of the war from strangling the revolution. Therefore, the vital interest of the international working class requires that the war end as soon as possible.

It is not all the same to us, where the future borders between Germany and France and between Austria and Italy are drawn. But there are questions that are much, much more important than those of the borders between nations. More important than the content of a future peace treaty is the moment when the peace is concluded. Because the future of the European proletariat depends

on whether the Russian Revolution fails due to the continuation of the war or whether it is saved by the peace.

The Next Tasks of the Working Class

To end the war and thereby to save the revolution is above all a vital interest of the working class in Germany, Austria, and Hungary. This is because the victory of the Russian Revolution will bring democracy to these countries.

There is one way at present to force peace on the governments of Central Europe: if the governments of Germany and Austria-Hungary publicly invite their opponents to immediate peace talks; if they direct this call not only to Russia, but also at the same time to all its allies, if they simultaneously publicly declare that Germany and Austria-Hungary are not striving to gain land or war indemnities and that they do not wish to subjugate their small neighbours – Belgium, Serbia, and Romania – militarily or economically; if they publicly agree that the great powers on both sides will pay for the wartime damage inflicted on the small states; finally, if they announce publicly that they agree to international disarmament and accept the resolution of all disputes through a court of mandatory arbitration, then no Russian government will be able to reject such a peace offer. If it wanted to reject a peace on this basis, the people's anger would sweep it away within twenty-four hours. And the agreement of Russia would force France and Italy to make peace.

Simply talking about peace is not enough; it requires an official invitation to peace talks in order to place the issue of whether or not to negotiate before the Russian government. Calls for a separate peace are ineffective, because Russia cannot sign one. But a summons to negotiate a general peace will not lead to that goal if Germany and Austria do not publicly declare in their peace offer that they agree to conditions that are in accord with democratic principles.

German and Austrian workers must urge the governments of the Central Powers to make such a peace offer. The struggle for such a peace offer is the next and most pressing task of the Central European proletariat.

On the other side, the workers in England, France, and Italy finally must break the resistance of their governments to ending the war.

The French Socialists and the English Labour Party are correctly convinced that their own interests require the democratisation of Central Europe. That the peace of all nations remains endangered as long as the policies of large, armed Empires are not under democratic control was once again confirmed by the recent revelations about the policy of the German Empire during the Boer and the Russo-Japanese wars. That the nationalist anarchy in Austria and the oppression of the nationalities in Hungary is a potential source of war has been undoubtedly proven by the dangers of the last decade.

But the workers in France and in England are wrong to believe that the continuation of the war *until the end* is the right means of leading democracy to victory in Central Europe. The future of Central European democracy is bound up today with the Russian Revolution. If the end of the war secures the victory of the Russian Revolution, then democracy's victory in Central Europe is certain. If the counterrevolution is victorious in Russia, then democracy in Central Europe will be thrown back. Not the continuation but the end of the war will lead to the defeat of Prussian militarism.

The socialist parties of the neutral countries are called upon to reveal this context to the workers of France and England. They must jointly and publicly appeal to the workers of France and England to take up the struggle to end the war. They must make clear to the workers of France and England that their business is not to pursue the very uncertain notion that continuing the war will unleash revolution in Germany. That would lead the Russian Revolution to its certain defeat. They have to summon the proletariat of Western Europe to save the Russian Revolution through an energetic peace movement to ensure the victory of democracy and socialism not only in Russia, but also in Central Europe, and to prepare the victory of democratic socialism in the whole world.

Unfortunately, it was hitherto not possible to unleash the great international people's movement for peace for which the Russian Revolution hoped. The Russian comrades rightly complain that workers in Central and Western Europe support them too weakly. This fact forces us all to examine the policy that the majority of the European proletariat has pursued since the outbreak of the war. It is no shame to learn from experience. However we earlier evaluated the issues that since the war started have moved the workers' parties of all countries, today we have to examine whether the policy of Western and Central European socialism can be sustained in the face of the new experiences of the Russian Revolution.

The Lessons of the Russian Revolution

When the war broke out in 1914, workers of all countries hurried to the front to defend their fatherland. With weapons in hand they protected their fatherland against the invasion of foreign enemies and [defended] its economy against the danger that defeat in war could impose on it. Once the war had begun, that was also in our opinion the right and duty of workers of all lands.

But the workers of Western and Central Europe were not satisfied with defending their own lands. The national passions unchained by the war also took hold of the proletariat. Its changed attitude played an active part in the policy of workers' parties, which went far beyond simply defending the country.

Before the war the entire International was united in the belief that, in case of the outbreak of war [workers should] 'take advantage of the economic and political crisis caused by the war to rouse the people and thereby speed up the overthrow of capitalist class domination'. This was the resolution of the International passed in Stuttgart in 1907 and confirmed in Copenhagen in 1910. Now all that was forgotten. In Western and Central Europe one avoided rousing the masses because it could aid the enemy. A *civil peace* with the bourgeoisie was the result. The Russian socialists behaved differently. They actually used the war crisis to 'rouse the people'. If the Russian workers had also agreed to a civil peace, today there would be no Russian Revolution.

Before the war the International was united in the belief that 'each section of the International would have to direct the resistance of the proletariat against the government of their country'; that was the decision at Basel in 1912. After the war began one no longer struggled against one's own, but against the enemy government. The German Social Democrats declared that the German government bore no guilt in starting the war; it shifted the responsibility for the war onto the Russian and British governments. While they agreed to the civil peace with their own government, they enthusiastically went to war against 'barbarous Russia' and 'perfidious Albion'. The French Socialists behaved in exactly the same way. They absolved the French government of any responsibility for the war; only Germany bore war guilt. They entered the French government and proclaimed a 'fight to the end' against the 'German barbarians'. With the Russians it was different. They publicly accused their own government of its guilt in starting the war and imposing the wartime crisis upon the people. If they had diverted the hate of the Russian people from Tsarism onto Germany, the Tsar would still rule in Petersburg.

Since the outbreak of the war, the thinking of the West and Central European social democrats was no longer centred on class against class but on nation against nation. Because they adapted themselves to the argumentation of their governments, the socialist parties in each nation fell into intense conflict against one another. The French fiercely attacked the German Social Democrats and the Germans attacked the French. Thus a wall of hate arose between the workers of different nations. International cooperation, therefore, became impossible. When the Russian Revolution came and called for the help of the International, one was no longer able to even sit at the discussion table.

The victory of the Russian Revolution is the victory of democracy and of national autonomy in all of Europe, the eight-hour day, and of land reform in the whole world. The entire future of the European proletariat depends on the victory of the Russian Revolution. And meanwhile the International is unable to support the revolution. The Russian Revolution demands nothing but peace

from the peoples of Europe, which is the most intense desire of these nations themselves; and after three years of horrible war, the International is not in a position to unleash a people's movement for peace.

This shameful experience demands a reversal. It is not just about restoring the organisation of the International. It is much more important to reawaken the old spirit of the International in the workers' parties of each country.

The old international spirit must rise again from the powerful experience of the Russian Revolution. It must set in motion a great international mass action, which will return peace to the world and secure the Russian Revolution's victory. It must lead us in the great struggles that the victory of the Russian Revolution will unleash in all the countries of Europe.

Heinrich Weber (Otto Bauer), *The Russian Revolution and the European Proletariat* (Wien: Verlag der Wiener Volksbuchhandlung Ignaz Brand & Co., 1917) (*Werkausgabe*, 2, 39–88).



The German-Austrian State (1918)

The Czechs, the Poles, and the South Slavs want to establish their own national states. We Germans in Austria cannot stop them: we are no longer strong enough. And we Social Democrats in Austria do not even want to stop them, because we recognise the rights of all peoples to self-determination. We may not deny any people the right to establish their own state if they so desire. What should happen with us Germans, though, if the Czechs, Poles, and Slavs separate themselves from us and establish their own states? We have no other choice but to create our own German-Austrian state. Therefore the whole German population in Austria has finally recognised that which the Social Democratic delegates first expressed in their resolution: we Germans in Austria acknowledge the right of the Czechs, the Poles, and the South Slavs to form their own states. We also demand, however, the unification of all the German areas of Austria into a separate German-Austrian state.

But holding to this general principle accomplishes little. We must now begin to think about how the German-Austrian state that we proposed to build should look.

Apart from the small linguistic islands scattered in the Slavic areas, the Germans in Austria live in three large, but distinct, areas above all in the region of inner-Austria. It comprises Lower and Upper Austria, the neighbouring

German districts of South Moravia and South Bohemia, the German territories of the Steiermark, Kärnten, and Tirol, Salzburg, and Vorarlberg. That is a large, well rounded off area with a mainly German population. A second largely German-speaking region is German-Bohemia. That is what we call the German districts of Northern, Northwestern, and Western Bohemia from the Riesenbgebirge to the Bohemian Forest. Finally, in Austria there is still a third German-speaking area, that of Western Silesia with neighbouring German districts of Northern Bohemia and Eastern Bohemia. That is also a geographically separate German area. However, these three German regions are fully divided from one another. This is because between the inner-Austrian and the German-Bohemian, between the German-Bohemian and the Silesian-North Moravian, and between the Silesian-North Moravian and the inner-Austrian regions lie Czech areas. Now of course every state has to be territorially unified; one cannot unite three areas that are territorially divided from one another into a unified state. Therefore we cannot create a German-Austrian state; on the contrary, we must set up three German-Austrian states: an inner-Austrian one, a German-Bohemian one, and a Silesian-North Moravian one. The last two states – the German-Bohemian and the Silesian-North Moravian one, would certainly be very small, but as member states within a federal state they could survive. In the German Empire and in the United States of America there are significantly smaller federal states. That is the first realisation to which a sober look at the basic situation leads us: not one German state but three.

Now, if we observe these three states somewhat more closely, it becomes clear that none of them can exist independent and sovereign. Even the largest of them, the inner-Austrian state, could not manage it. If left to itself even an inner-Austrian state would not be a functional economic entity. That would be even truer of the other two German-Austrian states. The three German-Austrian states could never be completely independent. They could only exist as members of a federal state just as, for example, Bavaria, Saxony, and Württemberg form member states of the German Empire. To which federal state should they belong? They have one choice: They can either be federal states within a federation of Austrian peoples or they can attach themselves to the German Empire.

At the moment, most German-Austrians are thinking only on the first possibility; in place of the Austro-Hungarian Empire a federal state should emerge in which a Czech state, a South Slav state, and a Hungarian state are interconnected. The three German-Austrian states should join together with these others to form the Austrian Federation of States just as Prussia, Saxony, Bavaria, and so on form the German Empire. Such a federation of Austrian nations

is certainly thinkable. But because the three German-Austrian states cannot exist by themselves economically, such a federation would only be possible for us if it formed a unified economic and commercial area. All the national states that would form the new Austria must also form a single tariff and economic area. Tariff and trade policy, legislation related to currency, banking, weights and measures, trades and exchange law, and shipping and water routes must remain joint matters of concern. The railroads must belong to the federation, not to the individual states. But tax legislation in so far as it influences the cost of industrial production, as well as protective labour legislation, must also be a matter for the federation and the national parliament, not the individual states and their state assemblies. Such a federal constitution for the new Austria would certainly be possible.

But would the other nations agree to the creation of such an Austrian federal state? That is not at all certain. Some nations, the Poles for example, are completely uninterested in a joint government with us; they want to belong to a fully independent Poland. Other nations, for example the South Slavs, perhaps still would be in favour of a loose constitutional tie but only a very relaxed, very loose connection, not the close one in the economic sphere that we need. Then what should we do? Should we pressure the other nations to enter into close relations with us? We do not want to do that and could not do it if we wanted to, because it contradicts people's right to self-determination to force whole nations to enter into constitutional ties against their will. Wilson will agree to no peace with us based on such a rape of the right of self-determination. What will we do then, when the other states do not desire the federation that we need? We cannot force them. We cannot remain alone because we cannot survive economically. In this situation there is only one possibility: to unite with Germany as an alternative to a federation with the other nations that wish to remain aloof. In so far as the Germans in Austria place themselves on the side of the self-determination of peoples, there is only one possible programme for the Germans in Austria: we comprise three German-Austrian states and we desire that these three German states join together with the other nations of Austria to form a federal state. If, however, the other nations are not at all in favour of such a federation or if they only want it in such a form that the economy within the three German-Austrian areas would be condemned to decline, then the three German-Austrian states must unite with the German Empire as special federal states. Of course, within the empire they would become autonomous states like Bavaria, Saxony, Baden, and so on.

Such an act of unity would be nothing new. German-Austria had belonged to the Austrian monarchy, to the German Empire, until 1866 without ill effect. German-Austria was only excluded from the German Empire through the

armed conflict of 1866. If, however, the other Austrian nations no longer want to share a constitutional connection with us or if they only desire it in a form that does not meet our economic needs, then we have no other way out than to restore the constitutional tie to Germany that was cut by the sword in 1866.

We think it is important that the German nation in Austria openly consider this possibility for self-determination. It is important for several reasons. First in regard to the Czechs: They should know how we feel about them. If they want to be completely independent, then we will not hinder them, but in that case they must be aware that the German Empire would surround their state in the north, the west, and the south.

It is up to them to consider, whether this would be advantageous for them. It is important in regard to the Entente. It should know that it cannot destroy Austria without striking ten million Germans of the German Empire. Above all it is important in regard to our own future. We do not want to chase after the other nations any more. We want to give up the undignified attempt to convince the other peoples to remain a part of Austria. We want to remember that we Germans in Austria are not lost. If the Austrian community of states cannot work then we will return to our old home within the framework of the German Empire. And the German Empire that we join would not be the imperialist Germany of yesterday, but the democratic Germany that has arisen in the wake of the catastrophic war. This understanding gives us Austrian Germans the possibility of basing our future honestly and without reservation on the recognition of people's right to self-determination.

But we German Social Democrats will see to it that this great transformation of states serves democracy and the proletariat. We will fight to ensure that the three German Austrian states that should now be established become democratic states based on the principle of popular sovereignty and the equal rights of all citizens regardless of class, of social status, or of gender. To fight for these aims in the course of this great historical transformation will be our special social democratic task.

Otto Bauer, 'Der deutschösterreichische Staat,' *Die Arbeiterzeitung* (13 October 1918) (*Werkausgabe*, 7, 269–74).



One Year of Revolution (1919)

At a gathering of private and public employees in the Volkshalle of City Hall, Representative Dr. Otto Bauer spoke about the progress of the revolution. The speaker explained:

If we wish to understand the entire transformation of the last year, we have to realise that this transformation is a product of the war. The knowledge about the causes of the war, which has just come to light through the publications of the last few days, is also important to our perception of what we have experienced in recent years. If publication had had no other goal than unearthing the truth, it would have been justified. We have to destroy the legend that in 1914 Germany *pushed Austria into it*, because this legend justifies the terrible burdens that the Entente has imposed upon the German people. But the publication was [also] necessary for understanding the war and the revolution. Why did Berchtold, Forgach, and the others contrive the war? They were convinced that the existence of Austria-Hungary, the empire of the Habsburgs, was severely threatened. As long as the nations remained immature, they could be held together. But every newly erected Serb elementary school increased the danger to the monarchy. The nations matured and the desire for self-determination awakened in them. The monarchy felt itself endangered by the people's craving for freedom; it saw them only as a group of loud irredentists. This state could only attempt to preserve itself through violence. All peoples of the world recognised that they could no longer let Austria-Hungary exist, because this empire would represent a constant danger for the world. For that reason, all the nations united against the Central Powers. And the collapse in November meant the disintegration of the monarchy. We German Austrians were suddenly left to our own devices; we had to form our own state. At first, the revolution was not political or social but national. We have not had a transition in which power was handed from one class to another; it was a national revolution but one with a particular social tinge. From the beginning, the leadership of the whole revolution lay in the hands of the working class.

This circumstance was also connected to the war. After the military collapse in Macedonia, as it became clear that Austria-Hungary was finished, the bourgeois world stood there without a clue. It was tied as narrowly as possible to the old Austria, it had defended it and viewed its existence as a European necessity. That was now all meaningless; the bourgeoisie was helpless and the leadership shifted on its own accord into the hands of the class, which had long known that every nation has the right to self-determination. Only the Social Democrats had defended that principle. Therefore, the leadership of what was

initially a national revolution fell to the proletariat. We were also at the same time the only organised force after the old army collapsed. If the bourgeoisie gets angry about the people's militia (Volkswehr), one only needs to remind it of how happy it was in November when the militia alone protected it from being plundered.

A state can be formed through resolutions but that does not make it viable. Our state is a remnant of the Austria that fell apart. We have Vienna on one side, a city of two million, and on the other side we have a poor mountainous area of scarcely five million people. The collapse of the monarchy removed the basis of Vienna's existence. In addition, there is [its] antagonism to the provinces. Vienna is dependent on the agricultural products of the provinces, which are also not rich; it appears to them to be a parasite. The time is perhaps not so far away that the agrarians will desire Vienna to buy mainly from them, rather than from abroad. Temporarily, however, our factories are at a standstill and we cannot pay the peasants for their products. The economic antagonism also has its social side, however. The city of Vienna equals the proletariat, which equals socialism; the provinces equal conservatism. This antagonism has been apparent in every revolution. Because of this antagonism, a coalition government is necessary. Perhaps it is more of a summary, the sum total of both parties.

A government without the Social Democrats could not rule Vienna; a government without the Christian Socials cannot rule the provinces. The concrete form of the coalition changes from day to day according to the domestic conditions and the conditions that surround us. In the days when workers' councils dominated Munich and Hungary, the bourgeoisie was happy about the coalition; the people's militia and the workers' councils did not excite it. Today it finds fault with the coalition; it feels itself more secure. The coalition will not break up because of it, but occasionally relations of power shift. As a result politics change and at the moment it appears that the pendulum would like to shift to the right. The bourgeoisie thinks the revolution is over, but it underestimates the situation. Our unnatural state would have withstood the collapse more easily, had it been able to leave its old community to enter into a new one, that of the German Reich. This [step] has been forbidden for the foreseeable future.

How is our situation changing? Surplus produce is created in every capitalist state, but we have no surplus product. We cannot even feed our population and rebuild the means of production. On the other hand, the war has burdened us with an enormous number of titles to surplus value, such as war loans, which provide the right to a share of surplus value. These are legal claims that cannot be met economically. The claims are devalued. The annulment of the titles to surplus value through currency devaluation is very dangerous because all parts

of the population are impacted, especially those on fixed salaries. But somehow the titles to surplus value have to be annulled. One can legally alter the claims. One radical means is to declare the state bankrupt; more refined is a capital levy. Without a substantial intervention in economic mechanism, it will be impossible to deal effectively with the current situation. Many refuse to see this. We do not get nervous when the pendulum swings to the right since economic necessity pushes the state toward socialism. The objective necessity of socialism is applicable for all strata of the population, above all, however, for employees. In old Austria a division of labour existed between German Austria, which mostly did skilled work, and the other nations, which performed less skilled labour. We now have a surplus of skilled labour power, but we lack unskilled workers. If, however, someone might assert that highly skilled work is useless, that would be an error. With our surplus of intellectual workers, we stand in the middle of a difficult reshuffling process that would have been much easier had we been able to join with Germany. If these difficulties are to be overcome, they can only be resolved through the energetic development of the economy.

The speaker concluded: Only when the economy recovers as a whole, when our industry is operating again, will the problem of skilled work be solved.

Otto Bauer, 'Ein Jahr der Revolution', *Arbeiter-Zeitung* (Vienna, 1 October 1919) (*Werkausgabe*, 7, 35–8).



Socialisation during the Republic's First Year (1919)

The Revolution of October and November 1918 was a national and a political revolution. As a national revolution it replaced the Habsburg monarchy, which was based on compulsion, with unitary national states. As a political revolution it replaced the authoritarian, military monarchy with the democratic republic. But the national and political revolution [also] aroused the desire for social revolution. The Kaiser had been driven out; should the factory owner continue to rule? The Crown, the General Staff, and the bureaucracy had fallen; should the worker masses continue to put up with the domination of the bourgeoisie? Political oppression had been overcome; shouldn't economic exploitation also come to an end?

Political work dominated the first weeks after the collapse: the new state had to be built and its basic institutions established. Then the classes entered

into the first electoral struggle, which ended on 16 February with a great victory for the working class. Now the social question was on the agenda. The masses pressed for the socialisation of industry, of mining, of large landed estates, and of private forests. Here and there they resorted to violence and took control of factories without legal sanction. The mass movement placed the problem of socialisation on the legislative docket.

However, as strong as the domestic pressure was for socialisation, we dare not deceive ourselves that the decision over the fate of the capitalist social order cannot be made in German Austria, but rather must be made in the large capitalist countries. German Austria is a small, powerless country dependent on foreign aid. It cannot exist as a socialist island in a capitalist world. Therefore, the process of socialisation in German Austria is conditioned by the development of class struggles between capital and labour in the big capitalist countries.

In the first weeks after the election of the National Constituent Assembly, this development appeared very hopeful. In the German Empire the worker masses moved rapidly toward socialisation. Large mass-strikes shook the Empire. In appeals posted on placards all over the country the government promised rapid and energetic action to bring about socialisation. In Hungary, the dictatorship of workers' councils replaced the Karolyi government and decreed the expropriation of the factories, the mines, and the large landed estates. In Czechoslovakia and in Poland major agricultural reforms and the expropriation of the large estates were announced. But in the camp of the Entente powers, too, movements became noticeable that appeared to move the outbreak of social revolution into the realm of possibility. The French army, unhappy with the slow pace of demobilisation, seemed to be in the grip of unrest. In the Balkans, in southern Russia, and also on the Rhine one could observe signs of dissolving discipline. In English [army] camps, too, soldiers demonstrated against delayed demobilisation. Signs of social unrest, of the deep shock to the capitalist order, were visible. Our task was to take advantage of the situation in Europe to move toward the goal of socialism.

The Socialisation Commission

The law of 14 March 1919 first established a series of general principles of socialisation. The law determined that, to promote public well being, national, provincial, and local governments could expropriate economic enterprises that could be transformed into publicly administered corporations. In addition, the law announced that a special law should guarantee the representation of employees and workers in the administration of the enterprises in which they work. To prepare the law to realise these general principles, a special

commission, the State Commission for Socialisation, has been created. The National Assembly elects the president of this commission, and he has the rights and duties of a state secretary.

The Socialisation Commission began its work immediately. In a short time it worked out drafts of four laws and placed them before the National Assembly on 24 April. These included: 1) the Draft Law on Factory Councils; 2) the Draft Law on Collective Economic Enterprises; 3) the Draft Law on the Expropriation of Economic Enterprises; 4) the Draft Law on the Communalisation of Economic Enterprises.

These draft laws became the object of long discussions and difficult conflicts in the National Assembly. The first three draft laws were passed, in a somewhat altered form, and are now in force. The fourth draft law, on communalisation, is still under discussion.

The Law on Factory Councils

The most important result of this parliamentary work is the Law on Factory Councils passed on 15 May 1919. The law determines that in all factory-like enterprises, as well as all enterprises in which at least 20 workers or employees are permanently employed, workers' and employees' councils (Betriebsräte) are to be created. In factories with five to twenty workers, shop stewards (Vertrauensmänner) should be chosen, who generally have the same rights as the councils.

Only agriculture is exempted from this law. The introduction of factory councils in agricultural enterprises failed in the face of tough resistance by the Christian Socials and the large German estate owners. Still, councils were elected in enterprises tangential to agriculture as well as in forestry-related businesses and these have the same rights as those in industry.

This law fulfils the old workers' demand for the legal recognition of their representatives. It is now fixed in law that the owners cannot make decisions about wages and working conditions completely on their own, but rather must now come to an agreement in all matters of detail with the workers' representatives. Wages, especially piecework, and the conditions of work, in so far as they are not regulated through contracts resulting from collective bargaining between the unions and business associations, can only be agreed to between the owner and the factory council. Disciplinary punishments can no longer be imposed at the discretion of the manager, but rather only through a committee, in which the owner and the enterprise council each have one representative. The councils will supervise the wage lists and the payment of wages. The councils have to oversee the implementation of protective labour legislation and to cooperate with the inquiries of industrial inspectors. The

councils can appeal to an arbitration board to challenge the firing or layoff of a worker for political reasons or for exercising his right to organise and form unions. This prevents disciplinary punishment.

The members of the enterprise councils and the shop stewards in small enterprises are even more effectively protected against punishment: Their removal is only allowed with the agreement of the arbitration board. In this way the law guarantees to workers and employees a broad right of co-determination in all spheres of labour relations.

But the law goes even further. It gives workers and employees the right and the possibility to supervise and influence not only the social but also the commercial and technical leadership of the plant. Upon the demand of the factory council, the owner is duty bound to hold monthly discussions with the council on the fundamental principles of the enterprise's operation. Every year, in industrial plants and in large commercial enterprises, the owners must provide the council with full access to the enterprise's books including tabulation of profits, losses, and wage statistics. The councils' rights go even further in those enterprises that are run by joint stock or limited liability companies. In these firms the enterprise councils have the right to assign two representatives to the administrative council or the board of directors. They participate in the administration of the enterprise and have the same rights as all the other representatives. If this approach currently has secured workers a share in the administration and management of industry, what is most significant about these arrangements is that the workers now have the possibility of gradually building up a staff of shop-stewards who have gained insight into the technical and commercial operation of enterprises, have acquired necessary knowledge and experience through constant interaction with the leadership of industrial concerns, and in this way have gradually gained the abilities needed to run socialised branches of industry.

Capitalism has dissolved the labour process into nothing but sub-operations (*Teilarbeiten*). Every individual worker carries out the same, unthinking sub-task, year in and year out. He hardly has any idea of the subtask that his immediate neighbour has to perform. He has no grasp of the work process as a whole and no knowledge of the technical operation of the whole enterprise. The worker knows even less about the business or commercial operation of the firm. He does not know about the origin of the raw materials or the regions where his products are marketed. He does not understand accounting and he cannot read the firm's books. By means of degrading workers into simple instruments of labour, capitalism has made them unable to manage their own work. It has monopolised the knowledge and ability required to perform social labour in the same way that it monopolises ownership of the means of pro-

duction. This monopoly must be broken if socialisation is to become possible. Only when the working class gives rise to a staff of shop stewards that is capable of taking over the leadership of the factories without thereby destroying production, only then does the capitalist become superfluous, only then does he no longer have a function in the enterprise, only then can he be cast out of the firm. Therefore the first task of a planned act of socialisation should be to offer the possibility to the workers of mobilising the staff of shop stewards who one day will be ready to lead and administer socialised industry. The Factory Councils' Law fulfils this task. It does so by means of giving the councils the right to discuss business operations with the owner; by means of giving them the right to examine the profit and loss statements of the firm; by means of giving them the right to place representatives on the administrative boards of large industries, especially of joint stock companies, and therefore giving workers and employees the possibility of acquiring the knowledge, experience, and abilities, which capitalism hitherto has denied to them and without which the working class could not take over the management of the factories. Surely at first the factory councils will not always be in a position to take advantage of their new rights. Compared to the more experienced and polished representatives of the shareholders, they will not understand how to see through the camouflage and window dressing of the balances put before them or to use their rights in the administrative council. But what they cannot know at first, they will learn gradually in practice. And in this way the factory councils carry out the educational work that is the most essential prerequisite for real socialisation.

The Law on Collective Economic Enterprises

The Law on Factory Councils educates workers for co-determination in the factories and thereby creates the psychological prerequisites for socialisation. At the same time, however, our legislation was concerned to find new legal forms for socialised enterprises and to create the juridical prerequisites for socialisation. The Law on Collective Economic Enterprises, passed on 29 July 1919, serves that purpose.

Up until the present we have known only two forms of enterprises: on the one side the capitalist business, on the other the bureaucratically administered firm on the state or local level. The socialised enterprise should no longer be a capitalist operation, but it also should not be a bureaucratic one managed by the state or locality. It should be administered by the state or locality together with the workers and employees, who work in their firms, and with consumers, for whom the enterprises work. This new law aims to create this form of enterprise.

The law differentiates between two forms of collective economic enterprises: 1) collective economic agencies (*gemeinwirtschaftliche Anstalten*) and 2) joint stock companies with a collective economic character and the limited liability corporations with a collective economic character.

The collective economic agency is a completely socialised enterprise. Private capital is completely excluded. The state, a province, or a locality establishes a collective economic institution. It has the legal character of a person. An agency assembly manages it. The assembly consists of representatives of the founding corporation (state, province, or locality), of the councils of workers and employees, who work for the agency, and of the organisations of those who consume its products. The assembly appoints the firm's management. A supervisory committee, appointed by the founding corporation, keeps track of the agency's activity.

A share of the pure profit of every collective economic agency is distributed to the workers and employees. Based on a decision of the factory councils, half of the portion distributed to the workers and employees will be used for welfare purposes. The other half will be directed to a community account for the workers and employees of all collective economic agencies. The remainder of the pure profit devolves to the founding bodies.

Next to the collective economic agencies in which private capital plays no role, the law also allows joint stock companies and limited liability corporations of a collective economic character in which power and profit are shared between private capital, public corporations, and workers and employees. The representatives of each public corporation (state, province, or locality) along with those of the councils of workers and employees together must have half the seats in the executive committee of every joint stock company and on the supervisory board of every limited liability corporation; only the other half is reserved for representatives of the shareholders or of the limited liability firms. Of the pure profit, one part devolves to the workers and employees; the rest is divided among the shareholders, the representatives of the limited liability firms, and the public corporations.

Paragraph 37 of the law decrees that when a new joint stock or limited liability company is founded, the state can require that up to half the investment consist of social capital. When the state makes use of this right, the newly founded firm becomes a corporation with a collective economic character. Moreover, Paragraph 37 contains a provision allowing the gradual transformation of established corporations into collective ones. Due to the devaluation of money, most joint stock companies are forced to increase the amount of their share capital in order to have the necessary operating funds. Hence, Paragraph 37 asserts that when corporations or limited liability firms increase their

capital, the state can purchase new shares or increase its portion of a company's social capital up to the level of fifty percent of the total.

Therefore, the Law on Collective Economic Enterprises has a double meaning. On one side, it fixes the legal form in which socialised enterprises can be operated. Indeed, for fully socialised enterprises it establishes the legal form of the collective economic agency and, for enterprises that initially are only partially socialised, it creates the legal form of joint stock companies or limited liability firms with a collective economic character. On the other side, through Paragraph 37, the law makes it possible for the state administration to transform private capitalist firms into partially socialised ones.

The Growing Opposition to Socialisation

In the spring of 1919 the general situation in Europe was favourable to socialisation. We took advantage of it to create the Law on Factory Councils and the Law on Collective Economic Enterprises. Meanwhile, however, general conditions in Europe have worsened substantially.

The first blow came in the German Empire. Following the January street battles in Berlin, the German government created the Reichswehr, which soon became strong enough to repress the German working class. Big strikes were violently crushed. The proletariat was forced onto the defensive. There was no longer any talk about implementing socialisation, as had been promised in early March. In Hungary, the dictatorship of the councils succumbed in a few weeks to the domestic resistance of the peasants and to the armed power of the Entente. Demobilisation accelerated in the Entente countries. The armies, which in the spring had shown signs of revolutionary unrest, were demobilised before any revolutionary outbreaks occurred. With the armies demobilised, capitalism in the Entente countries was liberated from the danger of revolutionary upheaval. The failure of the general strike on 21 July illustrated the weakness of the proletariat in the Entente countries. So, as a result of events in Germany, Hungary, and the Entente states, a reactionary wave swept over all of Europe. In Czechoslovakia and in Poland, agrarian reforms that had been passed in principle were not implemented. In German Austria, resistance of the propertied classes to socialisation grew. Agitation against socialisation was well received not only by the bourgeoisie, but also by the peasantry. The 'get away from Vienna' movement in the provinces steadily gained strength. The provincial governments of the Alpine states became the centre of the resistance to socialist action.

But not only the domestic opponents to socialisation grew stronger in consequence of the change in the general European situation. The objective possibility of socialisation is also substantially damaged. The efforts of German

Austria to carry out its accession to Germany failed. The Peace of St. Germain denied us accession without the agreement of the League of Nations. Because we cannot unite with Germany, but we cannot live on our own, we have fallen into the most oppressive dependence on Entente capital. We cannot live if the Entente does not grant substantial credit for the acquisition of foodstuffs and raw materials. Entente capital provides us with credit, however, only with our land and participation in our enterprises as security. It does not provide us with credit if such guarantees and shares are devalued by legislation that threatens capitalist property with expropriation. Socialisation legislation that empowers the state to expropriate capitalist firms could make it difficult to get food and raw materials from the Entente countries. Therefore, the decision about accession to Germany was also a decision about continuing socialisation. The rejection of accession greatly increased our dependency on the private capital of the Entente countries and made it very difficult to take action against capitalist private property on our own territory.

The consequences of this altered European situation soon became clear as socialisation efforts unfolded.

The Law on the Expropriation of Economic Enterprises

In April, along with the draft laws on the factory councils and on collective economic enterprises, the Socialisation Commission simultaneously proposed a Draft Law on the Expropriation of Private Economic Enterprises. According to this law, the government should have the right to decide by a simple resolution to expropriate a firm, to transfer it to state, provincial, or local control, or to transform it into a collective economic enterprise. When the council dictatorships were proclaimed in Munich and Budapest, the bourgeois members of the Socialisation Commission voted for this proposal. However, as Europe's turn toward reaction began, irresistible opposition to this law emerged in the National Assembly.

The accelerating devaluation of the currency greatly strengthened the bourgeoisie's resistance to the draft law. According to the law, expropriated owners should receive compensation in the form of promissory notes. In exchange for his property, an owner would have a claim to a fixed, yearly income, [in other words] to a fixed pension. However, even if the value of the promissory notes is fully in keeping with the current value of the firm, the expropriated owner is threatened with a heavy loss when the devaluation of money reduces the value of his compensation payments. The fact that the discussion of this law took place at a time when the Krone was rapidly losing value substantially strengthened the propertied class's opposition to the law.

However, weighty economic considerations also were brought forward against the draft law. Our industry cannot get access to foreign raw materials if it cannot get credit abroad. Now one fears that no private firms will be able to find foreign credit if a law is created according to which any industrial firm can be expropriated at the government's whim.

For these reasons the National Assembly fundamentally reworked the Socialisation Commission's draft law. According to the Assembly's resolutions, the expropriation of a firm cannot follow in the wake of a government decision but only after the passage of a special law. The law of 30 May 1919 does not empower the government to expropriate economic enterprises, but it decrees what procedures are to be used to take over a firm and to determine the level of compensation to be awarded if a special law is passed to allow the expropriation of the enterprise.

The Government's Socialisation Programme

Which economic enterprises should be expropriated now? According to the original government programme put forward in the National Assembly by Vice Chancellor Fink on 21 May 1919, the most important sources of raw materials and energy should be socialised first. In order for the community to dispose over the most important raw materials, over iron and wood, the large-scale iron industry and the forestry sector should be expropriated. To establish community control over energy sources, coal mining, wholesale trade in coal, and the electricity sector should be socialised. Through its control over key sources of raw materials and energy, society should achieve decisive influence over those branches of industry that process socialised raw materials and are fuelled by socialised sources of power. The large-scale iron industry, wholesale coal trade, and coal mining should be expropriated and each transformed into a state-owned collective economic institution. On the other hand, after their expropriation, the forestry and electricity industries in each province should be transformed into provincial collective economic agencies (*Landesanstalten*). These should, in turn, form an association of provincial agencies with the sole task of dealing with matters of joint concern. At that time the government put forward a generous socialisation plan. With conditions in Europe changing, however, it quickly encountered resistance that has thwarted its implementation.

At first the Socialisation Commission wanted to take over the large-scale iron industry, above all the Alpine Montangesellschaft. Strong opposition arose in the Steiermark and in Kärnten, where the ore deposits belonging to the company are found. The governments of Styria and Kärntner declared that the federal government had no right to control the Styrian and Kärntnerian mines;

only the provincial governments had that right. In order to overcome this resistance, the Socialisation Commission invited the two provincial governments to negotiate and recommended that the federal and provincial governments establish a collective economic agency to take over and manage the operations of the Alpine Montangesellschaft. The two governments refused to budge, however. While the preparatory work dragged out as a result of their resistance, intense speculation in Alpine Montangesellschaft stock not only drove up the value of its shares, but also delivered a large portion of them into the hands of Italian capitalists. Thus, the provincialism of the Styrian and Kärntnerian governments led to foreign capital gaining control over one of our most valuable natural treasures. Thereupon the socialisation of the Alpine Montangesellschaft became impossible. The Alpine Montangesellschaft must import the coke it needs to operate from Czechoslovakia and Poland. Because today it cannot procure foreign coke, it has to shut down its blast furnaces. As a result, production is falling and the company is operating at a loss. That is why if the state wanted to socialise the enterprise, it could not redeem the shares at their current high prices. Paying low prices would certainly bring the state into a difficult conflict with Italian capital, which has acquired a large share of the stock. The state, dependent on foreign support and on foreign credit, cannot dare to engage in such a struggle with foreign capital.

The state must temporarily be satisfied with hindering foreign capital from completely dominating the largest of our private industrial firms. Paragraph 37 of the Law on Collective Economic Enterprises offers it the means of accomplishing this aim. In October, when the Alpine Montangesellschaft was forced to increase its share capital in order to raise sufficient capital to operate, the state used Paragraph 37 to claim all of the new shares. In that way it prevented the new shares from falling into foreign hands and it secured the state strong influence on the administration of the firm.

Difficulties of a different nature stood in the way of socialising the coal trade and coal mining. German Austria has to import the bulk of its coal from Czechoslovakia, Poland, and Germany. At the moment it is not clear how these countries will organise the marketing of their coal. If the producer states socialise or monopolise the sale of their coal, then in German Austria it would be necessary to centralise coal importation in a collective economic agency. Should the states, however, return to free trade in coal then it would raise the question of whether our coal supply might not be harmed by the transformation of coal purchasing into a collective economic agency. For this reason the Socialisation Commission believes that the decision on the socialisation of the wholesale coal trade should be postponed until we know in what way the producer states will organise the marketing of their coal. Today, only the

socialisation of domestic coal mining would be possible. However, without the simultaneous socialisation of the wholesale trade with foreign suppliers, it would be of only marginal economic significance, because domestic coal mining covers scarcely a twelfth of our requirements.

The prospects for socialisation are better in the electricity sector. Nevertheless the same difficulties are visible here as in the other spheres where problems have occurred. On the one side the provincialism of the federal states made the preliminary discussions on the socialisation of electricity very difficult and lengthy because each province claims its waterpower for itself and will grant the federal government no control over it. On the other side [is] our dependence on foreigners. Because we will need foreign capital to expand our waterpower, socialisation must be carried out in such a form that it does not exclude the attraction of foreign capital. Nonetheless the preliminary work allows us to hope that a draft law on the socialisation of the electricity sector will soon reach the National Assembly.

The socialisation of forestry is probably furthest from realisation. It would have to be implemented by the federal states, because each of them first should transfer all of the forests in its territory to a state collective economic agency. The states, however, are currently extremely hostile to socialisation. In addition, the Peace of St. Germain has required us to deliver wood to the Entente at prices that can be no higher than the domestic level. Hence, one will not be able to make a decision about the socialisation of the forestry sector as long as one does not know the manner in which this requirement of the treaty will be carried out and how it will influence the profitability of the forests.

Thus it has not been possible to carry out the government programme of 21 May. It has failed due to the provincialism of the federal states, behind which hides the resistance of the bourgeoisie, and on the fact of our oppressive dependence on foreign capital.

The First Collective Economic Agencies

If socialisation on a grand scale has not been possible over the last few months, the main thing was to keep the idea alive, in spite of momentarily unfavourable conditions, by doing practical work, even within a narrow framework, to demonstrate its value and prepare for a more favourable time.

During the war the army's administration had acquired or constructed a large number of industrial enterprises. The factories were partially administered by the military bureaucracy and partially leased to capitalist firms. Our republic has inherited these firms and it can organise their administration according to socialist principles. In this way, it can test practically the new legal form of the collective economic agencies and show through experience that

enterprises can endure and flourish that are neither dominated by capital nor are ruled bureaucratically.

The United Leather and Shoe factories were established to achieve that goal. It is the first collective economic agency to be set up. The state established it together with the Austrian Consumer Association, which represented the working class, and with the Agricultural Commerce Office, as the representative of peasant consumers. The state transferred to the agency its shoe factory in Brunn am Gebirge and the equipment of the shoe factory in Mittendorf. The Austrian Consumer Association, a wholesale purchasing firm, and the Agricultural Commerce Office are providing the agency's operating capital. The agency assembly, which manages the firm, consists of authorised representatives of the state, the Consumers Association, the Agricultural Commerce Office, and the factory council of workers and employees. The agency's profits will be divided accordingly. Initially, the agency will operate two large shoe factories, whose output will represent a large proportion of domestic shoe production. Beyond that, however, it is intended also to transform private shoe and leather factories into joint stock companies of a collective economic character in which the collective economic agency will participate. In this way it will also gain control over the private shoe and leather industry. If this approach opens the way to the socialisation of the shoe and leather industry, it should also achieve an even more important success. The Agricultural Commerce Office, representing peasant consumers, cooperated with the state and with workers' consumer associations in the founding and the administration of the agency. This cooperation should provide the peasantry with practical proof that the socialisation of industry does not harm its interests; on the contrary, it is a means to place industry under control and in the service of rural as well as urban consumers. That is a task of great significance, because if it succeeded in winning over peasants to the idea of socialisation, it would sweep away one of the greatest obstacles to socialisation.

The German-Austrian Office of Medicine, the second collective economic agency, was established shortly after the creation of the United Shoe and Leather factories. The state founded the agency together with the Vienna Hospital Fund. The state provides it with the institutions and materials from the military medical supply system and the Hospital Fund provides it with medicines from the Viennese hospitals. The assembly that manages the agency consists of authorised representatives of the state, the Hospital Fund, the sick funds, and of the agency's council of workers and employees. First of all, the agency should provide medicines for the hospitals and sick funds. At the same time, however, it should take over the control of domestic factories that produce medicines. To that end, the largest enterprises of the pharmaceutical

industry are being transformed into joint-stock companies of a collective economic character. The representatives of the Office of Medicine join the administrative councils of these firms. Together with the representatives of the factory councils they receive half the seats in the administrative councils. That way the Office of Medicine attains the strongest influence on the industry that delivers medicines to the sick funds and hospitals. The Office of Medicine will adjust industrial production to meet the needs of the insurance sick funds and hospitals and can control the price of medicine.

Our pharmaceutical industry will also experience a substantial expansion. The *Pi*-building of the state ammunition factory in Blumau will be set up to produce raw materials needed by the pharmaceutical industry. A joint-stock company of collective economic character will be founded to operate it and the Office of Medicine along with established firms in the pharmaceutical industry will administer it.

The Office of Medicine should not only improve the supply and reduce the cost of medicines needed by the sick funds and hospitals, but it should also gain influence over management of the drug stores. Today the pharmaceutical companies and the drug stores bring so-called *specialties* to the market, which consumers purchase for very high prices, even though their medicinal value is often no greater than that of other low-priced medicines. The Office of Medicine should bring this kind of usury to an end. To achieve that goal it will direct the pharmaceutical firms under its control to produce the most commonly used and prescribed medicines in larger quantities and to label and package them for sale uniformly. The normalised medicines will be provided to the drug stores for marketing, but the Office of Medicine will set the prices. In most cases, therefore, the doctors neither will have to write complicated prescriptions nor will they have to prescribe questionable *specialties*. On the contrary, they can simply instruct patients to use the medicines most appropriate for their case. That way the use of *specialties* will be fundamentally curtailed and patients protected from quackery and usury. Only in comparatively few cases, in which a *specialty* truly has a higher value than the normal medicine, will it gain acceptance in the future.

The United Leather and Shoe factories and the German-Austrian Office of Medicine are excellent examples of socialisation that can be carried out without the expropriation of private firms. The Bureau of the Socialisation Commission has worked out many similar projects. The utilisation of wartime factories and of Habsburg family properties taken over by the state as well as the reduction of organisations related to the war economy will still offer some opportunity to found collective economic enterprises. In addition, the founding of new branches of industry on our territory will be able to occur in col-

lective economic forms. In this way, collective economic enterprises will penetrate many branches of our industry. Thus, the new legal form of the collective economic enterprise will be tested. Experience will show that industrial firms can exist and prosper which are no longer dominated by capital, but rather are jointly administered by communities of workers employed in the factories and by consumers for whom the factories produce. The energetic growth of these collective economic enterprises will conquer an ever-growing place in the social economy.

Socialisation on a large scale presupposes the expropriation of private enterprises. The *expropriation of the expropriators* must remain our goal. However, before it can be achieved, we can carry out valuable preparatory work by establishing collective economic enterprises whose development will show that under collective economic administration industry can bloom and flourish without having to pander to capital.

The Resettlement Law

Along with the actions taken by the Socialisation Commission, the Department of Agriculture has begun to reshape rural property relations. The first step in that direction was the Resettlement Law of 31 May 1919. Since the seventies the large landholders and capitalists have eliminated many peasants and transformed farmland into forest and hunting grounds. Now is the moment to take the land away from the rich, who use it for their amusement, and to restore it to productive use. The law stipulates that the land seized by the big landlords from the peasants since 1870 can be expropriated. Landless and those without enough land have the right to demand that such lands be expropriated in their favour and to settle on it as peasants or cottagers. At the request of the Socialisation Commission, the law includes the determination that expropriation should not only occur in favour of individuals, who can acquire land as peasants or cottagers, but also in favour of the state, the provinces, local communities, agrarian communities, and agricultural or housing cooperatives. The corporations, which acquire land in this way, can work it themselves, transfer it to collective economic enterprises, or lease it to peasants, cottagers, or workers who wish to settle on it permanently. Thus the law offers the possibility of socialising expropriated land. Public land or collective economic property can replace the private property of the great landlords; collective economic organisations in the farm, dairy, and forestry sectors can replace property used for private luxury.

The Law on Castles

Another law emerged at the initiative of the state Department of Social Administration. Commonly known as the 'Law on Castles', the Law on the People's Nursing Homes, passed on 30 May 1919, fits into the framework of socialisation policy. The law gives the state the right to expropriate castles, palaces, and luxury buildings in order to establish nursing facilities for wounded veterans, sanatoria for those with tuberculosis, and to provide for youth. The expropriations can occur without compensation for former owners if the buildings belonged to those who benefitted from the war and bought them only after its outbreak, if the earlier owner did not live in the building, and if the owner fled abroad after the revolution. In all other cases the owners will receive appropriate compensation. The act of expropriation is underway. Those castles in the country suitable as nursing facilities are being sought out and the expropriation processes have begun. Buildings, which earlier have served only luxury purposes, are now being made serviceable for the care of injured veterans and the raising of proletarian youth.

The Results of the Socialisation Decrees

A year ago the masses were not yet thinking about socialisation. The first year of the republic had made it the object of intense struggles of classes and of parties, of interests, and of opinions. In that way it has familiarised the people with it and driven it into workers' minds and hearts.

The problem of socialisation is a *question of power*. The power relations between the classes were reflected in the unfolding of the socialisation effort.

The election of 16 February made Social Democracy the strongest party in the National Assembly, but it did not give it a majority in that body. The majority of the voters chose parties that hold to bourgeois society and private property in the means of production. But the power relation between the classes is not determined mechanically by the results of electoral statistics. In the months of spring, as the social revolution was on the rise in all of Europe, socialism was clearly in command here, too. At that time we could carry out some truly socialist reforms, although we did not dispose over a majority in the National Assembly. The laws on the factory councils, on the collective economic enterprises, on resettlement, and on the castles are the results of that fruitful phase of socialisation in action. Then, however, as the reaction set in throughout Europe; as the demobilisation of the Entente's armies succeeded; as the proletarian soldiers peacefully delivered up their rifles and machine guns and the Entente imperialists eluded the danger of an armed uprising; as the Reichswehr in Germany restored the bourgeois order and in Hungary the proletarian dictatorship collapsed; as the ban on our accession to Germany

sharpened our dependence on Entente capital, then the reaction also came to our country and socialisation ground to a halt. Insurmountable obstacles blocked the realisation of the sweeping, large-scale plans of the first phase, of the government programme of 21 May. But we did not have to become despondent and inactive. We have been able to do good work preparing for a more favourable time. Through the practical execution of the Law on Factory Councils, we are schooling the working class for its great historical task when a new historical turn allows the continuation of socialisation on a large scale. Through the practical use of the Law on Collective Economic Enterprises, for which the establishment of the United Leather and Shoe factories and the Office for Medicine offer excellent examples, we test and develop the forms of enterprises, that one day should become the forms for the whole of production.

Capitalism remains unbroken in the West, in the lands of the victors. The dictatorship of the proletariat is holding its own in the East, in Russia. Struggle rages between Entente capital in the West and the proletarian dictatorship in the East. Its result remains uncertain. We still do not know whether capitalism will overcome the wartime crisis and once again establish itself or whether the social crisis, which the war brought forth, will end with its collapse. The fate of capitalism will not be decided in our country, in one of the smallest countries of Europe that is powerless and dependent on foreign aid. The decision will be made in the large, powerful countries, in England and America, in Germany and Russia. The decision of the larger world will also determine our fate. Great revolutions seldom unfold in one blow. They storm ahead, interrupt themselves, catch their breath, and storm ahead anew. No one can predict the course of the social revolution in our time. It is possible that it will be interrupted, that capitalism again will succeed in reasserting itself for some years. If that happens in the big countries, then socialisation in our country will also stall. But we hope that capitalism will not be able to overcome the crisis and that it will not recover and be able to reassert itself. If the process of social revolution moves forward in the broader capitalist world, then we, too, will enter into a more favourable, a more fruitful epoch, for socialisation.

Otto Bauer, *Die Sozialisierungsaktion im ersten Jahre der Republik* (Vienna: Verlag der Wiener Volksbuchhandlung Ignaz Brand & Co., 1919) (*Werkausgabe*, 2, 199–221).



Council Democracy or Dictatorship (1919)

The Russian Model

A great question occupies the workers of all countries today: democracy or council dictatorship; that is what today's conflict is all about.

Since the year 1848 the working class has fought everywhere for democracy. The democratic republic, that is, universal, equal suffrage for all men and women, not only in Parliament, but also in the regional assemblies, the communities and district representative bodies has been the goal of our struggle since there has been a workers' movement; this embraces the equality of all citizens of the state without any distinction of class or station, of sex or religion. Today, all that has been realised. The thrones have been destroyed, the republic is secured, and the National Assembly has been elected upon the basis of complete democracy. Regional assemblies and district and community representative bodies will be newly elected in a few weeks on the same basis of complete equality. But it is precisely at the moment of such a complete, powerful victory that the working masses are struck by a doubt: is democracy really the form of state whereby the working class can free itself from capitalist exploitation?

The doubt is understandable. We have elected the National Assembly upon the basis of the most complete suffrage and by this election achieved an astonishing victory. But as great as our electoral success was, the election nonetheless has not given us a majority in the National Assembly. We can, therefore, not govern the state by ourselves. We are, whether we wish it or not, compelled to build a government with a bourgeois party that is an enemy of the proletariat, a fundamentally reactionary party. This bitter necessity constrains us with every step and gesture. It limits us today, and will limit us even more as we make strides towards the great work of socialisation. Justifiably we ask the working class: is it possible in this involuntary union with a bourgeois party to overcome the bourgeois order? Is democracy, which compels us into this union, the appropriate means to realise socialism?

Thus, increasingly, the worker is presented with a new ideal in place of the ideal of democracy, that is, the ideal borrowed from Russia of the council dictatorship: supported with the armed power of a proletarian army, the workers' and soldiers' councils should take power by force. In every city, instead of a community council elected by the entire populace, a workers' and soldiers' council should take over the administration of the city. In the state, instead of the National Assembly that is elected by the whole people, the Congress of Workers' and Soldiers' Councils should make the laws and elect the government. In place of the self-governance of the whole people should be the dictatorship of the proletariat, in place of the equality of all citizens of the state should be

the exclusive authority of the workers and the soldiers. The citizens should be robbed of all political rights, and held down with armed force. Only in this way, many believe now, can the proletariat conquer the political power in order to revolutionise the constitution of society, using it to overcome capitalist exploitation.

Democracy or the Council Republic, the National Assembly or the Congress of Workers' and Soldiers' Councils, universal suffrage or the sole right of the workers and soldiers – that is the question.

The Council Republic has been realised initially in Russia. Thus the conflict between democracy and dictatorship leads back to the conflict concerning Russian Bolshevism. The democrats do not see Russian Bolshevism as anything other than the powerful control of a party that has not realised socialism in Russia, but only unleashed a bloody civil war, renewed the war externally, ruined the domestic economy, abandoned the people to horrible suffering, and only compromised the socialist ideal. The others, the Communists, consider the Bolsheviks as those who point the way to a great future of the working people, as the advance fighters and masters whose example and model must be imitated by the proletariat of all countries. Thus both conflict over things about which both know very little. For the news that comes to us from Russia is so incomplete and full of contradictions that no one is able to construct a sufficiently established picture of Bolshevism. Yet, fundamentally, this is of no consequence. For the question is not whether the Bolsheviks are right or wrong for Russia. The question is rather whether we can or should imitate the Russian example here in our country.

In broad strokes social development everywhere is taking the same path: the way of feudalism to that of capitalism and then to socialism. But, the political forms of this development are wholly different in different countries. Marx has taught us that the economic conditions of existence of each country determine its political development. As different are the economic conditions of existence of every single country, just so are the political forms different, which the class struggle assumes in each one.

Thus, the bourgeois revolution in individual countries was completed in different ways. In France, the dramatic revolutions of 1789 through 1795, of 1830, and of 1848 were required as feudal domination was replaced by bourgeois democracy. England, on the other hand, experienced no such revolutions; there, after 1688, the development was fulfilled without wars on the barricades, without a civil war, without the meeting of special constituencies or congresses. In England, there was only a long series of reform laws that followed each other quickly, which the English Parliament, under pressure from the people, passed during the 1820s and 1830s; England's revolutionary transformation

was no less than that of France, which required three bloody revolutions to complete. At the beginning of the nineteenth century England was ruled by an unconstrained aristocracy, the kind that had held sway in France; by the end of the nineteenth century bourgeois democracy was fully realised in England as it was in France. The result of the development was the same in both countries; but their political forms on either side of the channel were quite different.

Thus, the bourgeois revolution in the different countries were completed in quite differing forms. It will be that way with the proletarian revolution in differing countries, where wholly different political methods must serve this purpose. The economic conditions determine political events; and, because the economic conditions of differing countries are quite different, the proletarian revolution in these differing lands must be completed quite differently. Only fools could believe that the proletariat of Australia could conquer political power in the same way as the proletariat of Russia, or the English proletariat could use the same political means as the German working class. The proletariat must everywhere conquer political power in order to overcome capitalism; but the same goal that in one land is realised in the form of a council dictatorship will in another land take the form of a democratic republic, and again in other lands perhaps find still different political forms so that they can and must be realised.

And just as the political forms of the class struggle cannot be the same in all countries, so it is in relation to time. Periods of time in which all the wheels are in motion and all the store-houses are full demand different political means of struggle than in times of need, when there is a lack of foodstuffs and raw materials. Times in which the proletariat of the leading countries are on the march will also compel different forms of struggle than those in our time, a time in which the proletariat of the leading countries of the capitalist world, in England, in America, and in France, are still intoxicated by their victory, and thus not yet mature for the great decisive struggle over capitalism.

Thus, one cannot simply decide the question as it has been posed, whether a council dictatorship or democracy is the best means for the liberation of the proletariat; it cannot be the case that either of these choices is suited for all lands in all times. We must ask, rather, whether for our country and for our time democracy or the council dictatorship is the right weapon.

Workers and Farmers

All Power to the Councils! – that is the fundamental demand of the Communists. But which council should seize power? Only the workers' and soldiers' councils? Or should the farmers' councils also participate in power?

Only if the workers' and soldiers' councils take power by themselves will a genuine dictatorship of the proletariat be established. Only in this case will the proletariat themselves rule, and impose its will on all other classes, not only on the big and petit bourgeoisie, but on the farmers as well. Is such a dictatorship of the proletariat possible?

In Lower Austria⁷ it would be considered possible. Here only twenty-one percent of the population is engaged in agriculture; the farmers, relatively, are only a small part of the population, while the workers constitute the greater part. It is quite different in the other Austrian regions; there the majority of the population is still engaged in agriculture. In Upper Austria, 53 %, in Tyrol, 56 %, in Styria 57 % of all workers are engaged in agriculture. As a consequence of these states' agricultural character, the proletariat is only a minority of the population. In the last census these numbers appear:

	Independently employed and helping family members	Workers, employees, and day labourers
Upper Austria	265,298	256,896
Styria	531,779	387,333
Tyrol	353,716	212,633

In the face of these statistics is the dictatorship of the proletariat possible? For example, in Styria would the 387,333 workers and employees be capable of asserting their will over 531,779 farmers and members of the bourgeoisie? It should be noted that many farm helpers are counted among the 387,333 workers and employees and it is well known that many of them adhere to the peasants rather than the industrial workers. In addition, many state and private clerks included here should be counted as adherents of the bourgeoisie.

In the cities the workers' and soldiers' councils can assert and constitute their authority, no question; the bourgeoisie and petit bourgeois can be compelled to submit to their will, this would not be so difficult. But on the land the workers' and soldiers' councils would meet with insurmountable difficulties. The farmers would refuse to obey their decrees, they would not provide food-

⁷ Meant here is Lower Austria and Vienna. On the 29 December 1921 Vienna became an independent region of Austria. (Editor of the original German edition.)

stuffs for the cities, and would rather bury them so that they could not be forcibly requisitioned. They would exercise passive resistance, and finally armed resistance. In regions such as Tyrol and Styria, where there are many more farmers than industrial workers, the proletariat will certainly not be strong enough to break the resistance of the farmers. These regions would tear themselves loose from German Austria. Even today they close themselves off from us, even today the slogan 'Away from Vienna!' has become popular. Today in Tyrol and Carinthia the demand for a separation from German Austria and the development of an independent Tyrolean and Carinthian republic has been raised. If in Vienna there sat a government imposed solely by the workers' and soldiers' councils over which the farmers would have no influence, then the farming lands of Tyrol, Carinthia, Styria and Upper Austria would, indeed, separate themselves from us, and the power of the Viennese proletarian government would quite quickly be limited to lower Austria and the bordering industrial areas of Upper Austria and Styria. But this small area could not nourish its industrial populace; as soon as the agricultural lands separated from it they would curtail the delivery of foodstuffs, sacrificing the population simply to a death of hunger. The attempt in German Austria to constitute a dictatorship of the workers' and soldiers' councils would evoke a catastrophe of hunger leading to a quick and terrible conclusion.

In fact such an attempt has never been undertaken, not even in Russia or Hungary. Even in these lands the power is not solely in the hands of the workers' and soldiers' councils, rather the councils of workers, soldiers, and farmers. But, that is not a genuine dictatorship of the proletariat, rather a coalition of the proletariat with the peasants against the bourgeoisie. The workers govern these countries not by themselves, rather in a union with the peasants.

In Russia, the constitution of the workers' and peasants' republic provides that the leadership remains in the hands of the workers. The highest body of the Council Republic is the Council Congress; it makes the laws and elects the government. The workers' and soldiers' councils, as well as the peasants' councils, elect the Council Congress. For every 25,000 workers there is one representative in the workers' council, in every peasants' council there is a representative for every 125,000 farmers. In the Congress of Councils, then, there is a representative for every 125,000 farmers, but that figure of 125,000 brings 5 representatives for the workers into the Congress. The Council Assembly has fivefold as many workers representatives; thus the workers have five times more voting power. The Russian farmers cannot read or write, and have no political education, and thus permit such unequal treatment. Our German-Austrian peasants, who have been schooled politically for a half-century, read

the newspapers, attend assemblies, and dispose over effective organisations, would not abide such treatment. No German-Austrian peasants' council would send representatives to a Council Congress if this congress is one in which a worker's voice was equal to five farmers' voices. If we wish to unify the peasants' councils with the workers' and soldiers' councils into one council dictatorship – and for a council dictatorship in German Austria nothing other than that is possible – then we must treat the peasant and the worker, the peasants' councils and the workers' councils, equally; 100,000 peasants must have the same number of representatives in the Council Congress as 100,000 workers. Wouldn't a Council Congress elected in such a way have then a socialist character?

In Russia the peasants were robbed of a greater part of their land by the *liberation of the peasants* (Bauernbefreiung) in the 1860s; the peasant was liberated from serfdom, but he then had to give to the manorial lord a portion of the land he had worked as compensation. From that point on the Russian peasant had too little land. His desire from the 1860s on was to take back the land from the aristocracy. The Russian socialists used that desire: insofar as they promised the Russian farmer the land of the manorial lord, they gained the cooperation of the farmer. In this way, the Russian farmers became socialists; in the peasants' councils and the Council Congress they have elected Bolsheviks as well as Social Revolutionaries, becoming supporters of socialist parties.

It is the same in Hungary. Hungary also belongs to the classic lands of the latifundial ownership. The Hungarian Social Democrats have been able to win over several strata of the agricultural population in that they demanded expropriation of large amounts of land possessed by the feudal lords. The socialist government of Hungary, therefore, is not supported only by the city workforce, but also by the proletariat and small peasants of the flatlands.

It is quite different in German Austria where there are comparatively few estates.⁸ And the estates, by and large, are not cultivatable acreage, rather forests and meadows. In our country most cultivatable ground belongs not to manorial lords, but to peasants. Thus, according to the census of agricultural operations:

8 Burgenland, which became part of the republic of Austria in 1921/1922, is not considered here. (Editor of the original German edition.)

	Total hectares	Of which large farms of more than 100 hectares
	Hectares	Hectares
Lower Austria	860,554	61,399
Upper Austria	420,293	5,559
Salzburg	65,583	6,897
Styria	423,225	29,362
Carinthia	141,394	17,655
Tyrol	138,273	5,784
Voralberg	7,856	94

In all of our states the manorial lord occupies only a very small part of the cultivatable acreage. The peasant cannot hope, therefore, that a social revolution will increase his acreage. Yes, our manorial lords have more forests. But the forests cannot be divided among the farmers with a social revolution, unless they wish to sacrifice one of the most important bases of our national economy to devastation. In Russia and Hungary socialism can win over the farmer insofar as the lord's land is promised to them; in German Austria we cannot win over the masses of peasants, because the land of the lords that could be divided among the farmers is only available in small amounts.

Humans' economic existence determines their political consciousness. The Russian peasant, for whom his smallholding is insufficient for extensive farming, has a hunger for manorial land that makes him revolutionary. The German Austrian peasant, who can gain little by social revolution, is conservative. Much more intensive in his farming than the Russian peasant, he has other concerns than a revolution in the conditions of land ownership. He is disturbed by the workers' flight from the land, by the *people's misery* (Leutenot) on the land, by the growing *covetousness* (Begehrlichkeit) of the farmhands and day labourers. Thus, he finds himself opposed to the workers. He wants high prices for his grain, cattle, and milk, and is enraged when the workers demand lower prices. Thus, he becomes an enemy of socialism. Thus, the majority of our peasants are conservative, hostile to workers, and anti-socialist. In a word: they are Christian Socials.

What would the German Austrian peasant councils look like? The peasants would send the same men to the peasants' councils as they now elect to the community representative bodies and the farming cooperatives, that is,

Christian Socials. And these peasants' councils would elect to the Council Congress, the law-giving body of the Council Republic, the same people that they send today to the national assembly, that is Christian Socials. What would the German Austrian Council Congress look like? About half its members would be socialist representatives of the workers' councils; the other half would be Christian Social representatives of the peasant councils. In a word: the Council Congress would look just about like the National Assembly. Only a few of the Christian Social and German National representatives of the cities would be lacking. That truthfully wouldn't change much. In German Austria a council dictatorship would not be the ground-breaking instrument of a new formulation of society as it is in Russia or Hungary.

The people who believe that a council dictatorship in German Austria could work just as it does in Russia or Hungary have forgotten one of the basic teachings of Karl Marx: that the form of government is dependent upon the power relations between classes. In Russia and Hungary the domination of the workers' and peasants' councils can mean a dictatorship of the proletariat because the peasants of these lands, [though] inclined to be revolutionary, are politically unschooled and unorganised. They subjugate themselves to the workers and the peasants' councils subordinate themselves to the workers' councils. In German Austria, on the other hand, the peasants are not revolutionary, but rather are conservative, politically self-conscious, well schooled and well organised. Here the domination of the workers' and peasants' councils would not mean a dictatorship of the proletariat, rather only the in-common authority of Social Democratic workers and Christian Social farmers. For that one does not need, in truth, a Council organisation; we can have that upon the ground of democracy.

Socially, a Council Congress made up of workers' and peasants' councils would certainly be less dependent upon the bourgeoisie, thus more careful in relation to the bourgeoisie than they are in the National Assembly, whose election is effected by the bourgeoisie as well. In school, church, and cultural issues the Council Congress would be less radical than the National Assembly; for while the Social Democracy works together in the National Assembly with the liberal bourgeoisie, outnumbering the clerical farmers, in the Council Congress the liberal bourgeoisie would not be represented and thus clericalism would be stronger than in the National Assembly. In no respect would the difference between the Council Congress and the National Assembly be as great as the uncritical supporters of the council system believe. The council dictatorship would not be an instrument for the removal of capitalism in our country.

The Entente Bourgeoisie and the Soviet Republic

Every bourgeois revolution occurs in two phases. In the first phase of the revolution the bourgeoisie arises, mobilises the broad masses of working people, and, supported by these masses, overthrows absolutism and feudalism. In this phase of the revolution the bourgeoisie is revolutionary, and its victory is a historical advance. But this first revolutionary phase is followed by a second: the proletariat demands from the bourgeoisie a part of their jointly achieved power and a part of the fruits of their joint victory. Now the bourgeoisie sets itself against the proletariat, subduing it. In this second phase of the bourgeois revolution, the bourgeoisie becomes counter-revolutionary, and their victory sets a limit to historical progress. These two phases differentiate themselves in every bourgeois revolution, for example in the English [Revolution] between 1649 and 1688, or in the French, from 1789–95, or in the European of 1848, or the Russian of 1905.

The violent world war that we have experienced was nothing other than a bourgeois revolution of immense scale. The United States, Great Britain, France, and Italy, the four great powers of bourgeois democracy, stood against Germany and Austria-Hungary, both still half feudal, still half an absolutist military monarchy. The victory of the Entente over the Central European powers was a victory of bourgeois democracy over the military-oligarchic authoritarian state. In its war against the Habsburgs and Hohenzollerns, the Entente bourgeoisie was revolutionary, and its victory was a historical advance. But the war unleashed revolution in the defeated countries: first in Russia, then in Germany, in Austria, and in Hungary. Bourgeois democracy, represented by the Entente, sees a new enemy: the proletarian revolution. Bourgeois democracy of the Entente powers had defeated both of the military monarchies in the name of democracy. Now it seeks to repress the proletarian revolution in the interest of the bourgeoisie. In this phase the Entente bourgeoisie is counter-revolutionary, and its power sets a limit to historical progress.

The Russian Council Republic tore apart the union between Russia and the Western powers. The Council Republic then declared Russia's state loans invalid, refusing to honour the billions given to them by the French and the English. Finally they confronted the Western powers through the confiscation of private property in Russia and the dissemination to all the world of their propaganda of world revolution in the societal order. Through all these actions Russia arrived in unbridgeable opposition to the Entente. A condition of war exists between them. Both of them sought to win the people over to their side. The Entente seeks now through force, now through concessions, to move the people to proscribe Russia, to break off all relations with it. Russia, on the other hand, seeks to move the proletariat of all nations to proclaim a council republic in their countries and thereby place themselves on the side of Russia against

the Entente: the alliance of council republics in Eastern- and Central-Europe against the Entente – that is the next goal of the communist movement.

What, then, would the proclamation of the council republic in our country mean: a union with Russia, a declaration of war upon the Entente. The council republic is the break with the Entente, the cancellation of the armistice, the rejection of the coming peace, the rejection of any economic help from the Entente powers and America, the renewal of the war against the Entente. Certainly, that would be a different war than the earlier one. We did not fight willingly from 1914 to 1918, only under compulsion. It was not for the cause of the proletariat, but rather the salvation of the Habsburgs as a dynasty; it was not for the proletarian revolution, but rather for the military-feudal counter-revolution. When we now proclaim the council republic, on the other hand, and with that place ourselves on the side of Russia, then there will be a new war that we have begun, a proletarian revolutionary war. But, that would then be an actual *war*. Can our war-weary, starving people conduct another war?

The Entente needs German Austria: for the way to Italy and Yugoslavia leads via our land to its allies in Czechoslovakia and Poland, as well as to its own armies within Czechoslovakia and Poland. It will not remain inactive, therefore, when we unite with Russia, its deadly enemy. It will answer our proclamation of the council republic with the entry of its troops. Russia needs not fear the armies of the Entente, for Russia has no boundaries with Entente powers, and the Russian coastline, where the Entente troops would land, is quite distant from Moscow. Even an invasion of Hungary would be difficult for the Entente: Rumania needs its troops against the Soviet troops which approach its borders, the Yugoslav forces are tied up in their conflict with Italy, and the Czechs face Slovakia, an uncertain and insecure area for the advance of their troops. German Austria, on the other hand, would be a defenceless prize for the Entente; the Entente has sufficient Italian and Czech troops to occupy our land without us being seriously able to defend ourselves. Our military situation in relation to the Entente would be quite different than that of Russia or Hungary; the council dictatorship would here, most probably, lead immediately to our occupation, and the Italian occupying army would quickly dissolve the workers' and soldiers' councils, as the French occupying army has done in the Rhineland.

Let us suppose that the Entente was unable to let a single soldier march against our council republic, or did not wish to – even then it could quickly compel us to capitulate. To achieve that aim it only needs to stop providing us with food. Russia has the most grain in all of Europe; it eats the grain it produces and needs no help from the Entente. Even Hungary, while needy, can provide for its own nourishment; Budapest lies on a fruitful plain. German Austria, on the other hand, is mountainous, and even before the war relied for half of its

grain needs upon imports from other lands. There are today no grain products within German Austria at all that could sustain us for more than fourteen days. Today, the provision for our need of bread and flour comes exclusively from the Entente. When it ships us no more food, there will be absolutely no more bread or flour in a few days. The proclamation of the council republic here would lead within a few days to a hunger catastrophe that would compel our capitulation to the Entente.

Indeed, just like bread and flour, coal would immediately run out: on the day of the proclamation of the council republic Czechoslovakia will cease sending us coal, and then all our railroads, gas and electric works, and factories will be at a standstill.

Certainly, the revolution here could spread to our neighbours. The Czechs, Poles, and Yugoslavs could imitate our example. The neighbouring council republics would then come to our aid as brothers. But, when would that occur? One cannot expect the revolution immediately, overnight, to spread from one state to another. The Russian revolution was followed by the German after one year. The Russians were able to persist through the twelve hard months in which the pressure of German imperialism weighed upon them. This was because they had bread and coal of their own. We would hardly be able to wait for twelve days for the spread of the revolution in neighbouring countries; for after twelve days we would starve.

So, today we are wholly in the hands of the Entente bourgeoisie. Just as the capitalist controls the worker because he provides the work and food that the worker needs, the Entente bourgeoisie controls us because it alone can provide us with bread and coal. The council dictatorship would mean the break with the Entente; the break with the Entente would mean the complete halt to bread and coal imports, and with that a catastrophe, which could only end in our capitulation.

The foundation of our revolution is the dissolution of the Austro-Hungarian army. With that the pillar of German-Austrian bourgeois domination was removed; that's why today we are so strong against our own bourgeoisie. That's why we could force the democratic republic upon the bourgeoisie. On the other hand, we have lost, in dissolving the Austrian-Hungarian army, every protection from the foreign bourgeoisies, from the triumphant Entente imperialism. Therefore we are powerless today against the Entente bourgeoisie. Therefore, we cannot dare today to demand the proclamation of a council republic. A council republic in German Austria would only first be possible when the power of the Entente bourgeoisie is broken; only then will the Entente nations themselves and in the Slavic neighbouring states, which stand under the domination of the Entente, be defeated by the proletarian revolution.

The Democratic Path

The revolution has brought to the German Austrian workers the democratic republic, the self-governance of the people within the state, within their regions and within their communities, and thereby substantially broadened their power. But the great political victory has not been able to banish economic hardship. Our food supplies are exhausted; we live only upon the meagre supplies given to us by the Entente. The importation of foreign coal that we are dependent upon stops quite often and our railroad traffic is shut down. As a result of shortages of foreign raw materials and coal our factories cannot operate. Hundreds of thousands are without work. The war costs are paid with billions of banknotes pressed into circulation. That devalues our currency and lets prices soar to unheard of levels. The empty state treasury and the crisis of industry make it impossible to raise wages and salaries commensurately. The Entente still denies us peace, the return of our prisoners of war, the free importation of raw materials and food. No government is able to alter that. But the masses, hungry and suffering as never before, are despairing and provoked. The passion that has been let loose because of the distress threatens to defeat any temperate considerations. The model of Russia and Hungary tempt thousands. The bourgeoisie sees that the temptation of a new revolution, the proclamation of a council dictatorship by the masses, is enticing. The bourgeoisie shudders that the masses will actually attempt such a move. Thus the bourgeoisie fastens now upon democracy, against which it had fought with hands and feet but a few months ago and had only accepted under irresistible pressure. The bourgeoisie seeks to save democracy by proving its fruitfulness to the masses. Thus, pressured by the fear of a council dictatorship, the bourgeoisie is ready for far greater concessions than it would otherwise be, given the current power relations between it and the proletariat. If the power of the proletariat has grown with the victory of democracy, it will now grow even more as the bourgeoisie sees itself threatened by the appeal of the idea of a council dictatorship.

Thus, within the framework of the democratic republic, we can accomplish much more without new, violent revolution. We can extirpate the old monarchical, feudal, and military institutions at the root. We can construct for the first time a series of bold reforms of the educational establishment in order to create the bases for the education of a self-conscious, thoughtful, courageous generation. We can establish workers' rights on a new foundation and develop workers' protections and workers' insurance incomparably quicker and incomparably more generously than has ever been possible. We can take the first steps on the way to the socialisation of industry and mining, of forestry and commerce. We can free the people from their tribute to the state's creditors by taxing wealth energetically. All that is possible now upon the basis of demo-

cracy. And, all that is now underway, in process. Democracy will fulfil these tasks, if it is given time for their fulfilment.

Yet, this does not satisfy the broad masses of the proletariat any longer. Excited by the terrible experience of the war, roused by the storms of the revolution in Russia, in Germany, and in Hungary, the proletariat demands complete power, sole control of government. It cannot demand it within the German Austrian National Assembly for in that body the strengths of the clerical peasants and the socialist workers are in equilibrium to each other. But, then, must we give up on democracy? Isn't there a democratic basis for a way to power?

In the state, the power of the worker is circumscribed by the power of the peasant. This is different in the local self-governing bodies. In the National Assembly we do not have the majority; but in the community representation of Vienna, in the regional assembly of Lower Austria,⁹ in the district representative bodies being developed now in the districts of the Wienerwald, or in the upper Styrian districts, the workers can achieve a majority without difficulty. And, when now all these self-administering bodies are granted broad autonomy, when most particularly they receive the right of expropriation and socialisation of suitable enterprises, then the control over the local self-administering bodies will become the greatest source of power for the proletariat. The peasants are too numerous within the state for the workers to govern alone. In the large cities and industrial districts, however, the workers are the overwhelming majority of the populace, and there they can achieve democratically, through the vote, the dominance in local representative bodies. Moreover, the autonomy of communities and districts can become an important means of proletarian dominance. For that reason we need democratic local administrations with broad authority above all.

On the other hand, we need to be attached to the German Republic. That is because, however the class struggles of the German proletariat develop, ultimately the prerequisites for proletarian domination are incomparably more favourable in the greater German Republic than in our small, less industrially developed, German Austria. There the working class is a far greater part of the population and peasantry a much smaller part than here. In Germany the proletariat will conquer power; thus, German Austria will come under proletarian rule as soon as it becomes a part of the German state.

Our German Austrian state is a picture of misery, destined to be but a passing accomplishment. When it joins greater Germany, then there will be no longer

9 Vienna was represented within the Lower Austrian Landtag until 1920. The Social Democrat, Albert Sever, led the joint Landtag from 1919 to 1920 by the Social Democrat. (Editor of the original German edition.)

an important role for our National Assembly. The main stress of legislation and administration will then, on the one hand, fall to the German state, on the other, the local self-administering bodies of the community, the district, and region. At the level of the German government, the workers can achieve dominance through the democratic process itself. In the cities and in industrial districts and regions, they can become dominant by democratic means. Thus, without a council dictatorship, we can win power solely with the means of democracy.

The council dictatorship would in no way mean a dictatorship of the proletariat in German Austria; for the workers' councils must share the power with the peasants' councils. Given the extant conditions, the council dictatorship would initiate a new war against the Entente, expose our country to the danger of occupation by a foreign power, and cause the complete cessation of the importation of food and coal. This would increase enormously the suffering of the people, ending in a catastrophe of starvation from which there could be no way out except that of an internal counter-revolution. There is another, surer, and less painful way to power. That is the way of democracy. If we integrate ourselves with Germany, on the one hand, and on the other create in the communities and local districts strong fortresses of red domination, we can lead the proletariat on a secure path to power.

That is the situation today. How it will be tomorrow no one can say. Today, the council republic is nothing but an irresponsible adventure that can lead to our ruin. But we live in a time of powerful upheavals in which the thinking of individuals and the power relations between classes and states change from day to day. What is a ruinous adventure today could, in a few days, in a few weeks, in a few months, be an inescapable necessity. We do not reject the council dictatorship for all countries, nor for all times. We only believe, rather, that in our country, today, with the current relations of power, and in our ongoing economic need, this would not be the path to power, but rather the way to ruin. If the storm of the proletarian revolution sweeps away the bourgeois governance in neighbouring countries, and the proletariat arises in the Entente lands as well; if the links of hunger which chain us today to the Entente bourgeoisie are broken, and proletarian governments can give us food and coal that we must today get from the hands of the Entente bourgeoisie, then the day will come in which the path of council dictatorship is open to us. But, we are not there yet. There is no surer way for us to our goal than that of democracy.

Vienna, 30 March 1919

Rudolf Hilferding

Historical Necessity or Necessary Politics? (1915)

Comrade Heinrich Cunow, whose serious research, at least in the distant past, was widely regarded as solid work that was anything but sensational, has published a 38-paged brochure with the sensational title, 'The Collapse of the Party,' which to the critic is increasingly embarrassing.¹ For instead of a scientific approach or at least an outline of one, he finds the outburst of a man who is very upset, who is angry about the opposition to the party leadership's policy that has emerged in social democratic circles in Germany and abroad, and who expresses this anger in a crass manner.

The critic's embarrassment begins right away with the question: against whom is Cunow directing his ire? Indeed, Cunow appears to damn, without distinction, all theorists and Marxists who are not in agreement with the party's current policy. But he never names them. For Karl Radek, the one whom he does cite, would be viewed by no one as a representative exponent of Marxist theory or politics, except for Cunow, who uses or rather misuses him for his own polemical purposes. In fact, thus far there has been no comprehensive and exhaustive critique at all from the Marxist point of view. First of all this is because the scientific analysis of such a monumental historical event is not easy to carry out. Precisely because we would like to try and learn as much as possible from our experience in such colossal events, we can't keep up with the speed of those who are now so loudly and publicly 'relearning', which means adopting for themselves bourgeois ideas they could have found long ago. But then we cannot assume that guarantee of the results of our investigations, however they might turn out, which to the 're-learners' is certain from the outset due to the superiority of their views. For us, the pre-established harmony of the results of Marxist research with the demands of marshal law and of the party majority still is not a philosophical article of faith, and so there are obstacles to an open critique from our side, which do not exist for those deliverers of 'Marxist' articles on the war who are now stepping forward in such large numbers.

Consequently, at least in Germany and Austria, it was only possible for the Marxists to take a position dealing with parts of individual problems and only

1 Heinrich Cunow, *Parteizusammenbruch? Ein offenes Wort zum inneren Parteistreit* (Berlin: Buchhandlung Vorwärts, 1915).

in a restrained form. But one would also be wrong if one thought that perhaps Cunow had engaged Kautsky's publications, the point of view of *Die Neue Zeit* or of *Der Kampf*. Unfortunately, he prefers instead to ascribe absurd statements to unnamed opponents, who are always introduced to us as 'Marxists', in order to then dismiss this idiocy with great self-satisfaction. It is really the worst kind of polemic, with which the author is, indeed, very comfortable. 'Here I lay and thus I bore my point'.*

Cunow begins by telling the 'Marxists', whom he himself has created, that their disappointment was a consequence of their own illusions. 'They don't conclude from the failure of historical processes to conform their expectations and ideology that their ideology is on the wrong track, but rather that it is simply history that has gone down the wrong road. This is a conclusion that assumes that political ideology does not need to orient and correct itself according to historical developments, but on the contrary, historical change must adapt itself to the ideology or, as the case may be, to political illusions. The conclusion derived from the materialist conception of history that *history is always the final judge of ideology* is one that apparently never became at all clear to these comrades, despite their frequent reference to Marxist historical teachings'.

These claims are really quite something! We really know of no Marxists who would have claimed that history is wrong. They have only indicated – they neither wanted or were able to go into it at length – that in their view the party leadership's tactics in various belligerent countries is incorrect and stands in contradiction to the principles that these same leaders ascribed to earlier. The identification of the respective party leaderships with 'history, that is never wrong' is certainly an exaggeration, not only from the standpoint of the Hegelian conception of history, which, as is well known, sees history as the realisation of reason, but also when viewed from the perspective of the materialist conception of history, because this in no way views history as the realisation of unreason.

In reality Marxism might well claim that it is perhaps less surprised by major events than any other theory. It had, after all, foreseen that the politics of the ruling classes would lead to military conflict, and for years it has worked to analyse the causes [of this conflict] in detailed studies. And we can confirm that we recognised the full complexity of the causes more thoroughly than

* The quote is from Shakespeare, *Henry IV*, Part I, Act II, Scene IV.

My translation is from Hardin Craig and David Bevington, *The Complete Works of Shakespeare*, revised edition (Scott, Foresman and Company: Brighton, 1973), p. 687.

Cunow. For, while he believes a war most likely stems from immediate economic motives, various investigations on the 'Road to Power', on the 'Nationalities Question', and on 'Finance Capital' have shown how the very same capitalism, which drives developed states toward imperialism, causes the underdeveloped peoples without history to awaken and arouses their national efforts to achieve independence and unity (as an historical condition of their further development, not, as Cunow imputes to the Marxists of his rotten imagination, as a result of natural development). The antagonisms between states that this causes, which are then expressed in the alliance policy and in the arms race on land and sea, pushed the catastrophe ever closer. If Cunow considered the struggle to be a 'pointless interlude' because it seemed to break out over nationality problems in the east, and sought, thereby, to explain his earlier opposition to the granting of war credits, then it must be said that he overlooked an essential side of the moments leading to war and failed to recognise the internal entanglements of the two major sets of its causes: western European imperialism and eastern European nationalism. That might be explained by the fact that Cunow's research area – where his valuable works are to be found – does not deal with the present, but that still leaves unclear why he so disloyally attacks a perspective that he, himself, at the critical moment, had assumed.

Thus, the Marxists cannot claim that history, which led to this war, was wrong, because history, which is the best Marxist, agrees with them. But, since 4 August, Cunow apparently thinks that this harmonious relationship, in which Cunow himself had participated, has changed, and Cunow is in a hurry to make use of the discord to present himself as the only one truly loyal to history.

Now it is certainly true, that there were various views in the party concerning the behaviour of the proletariat and of the popular masses, including illusions and hopes that have not come to pass. But were 'the Marxists' the creators of such illusions? On the contrary. In 1911, in an essay [titled] 'War and Peace', Karl Kautsky wrote:

If it ever gets to the point that the population sees the cause of war not in its own government, but rather in the evil intention of a neighbour – and which government doesn't try to propagate this view to the masses with the help of its press, its parliamentarians, and its diplomats! – and if under these circumstances it comes to war, then the whole population unanimously burns with the desire to secure the borders to ward off the evil enemy's invasion. Initially, all become patriots, including the internationalists, and if some have the superhuman courage to want to rebel and to hinder the army's rush to the border and its arming itself

with the best war materiel, the government does not have to lift a finger to neutralise them. The enraged mob will slay them.

And when comrade Pannekoek developed fantastic notions about the behaviour of the masses if a war should break out, Kautsky came out against him in *Die Neue Zeit* immediately and with great determination. Far from being completely surprised by the chauvinist excitement of the masses, it was precisely the leading exponent of Marxism who saw such a possibility with the clearest vision and declared that 'mass actions' to stop a war as soon as it had broken out were very improbable. Here, too, history proved the correctness of the Marxist understanding of political power relations.

If that is true, Cunow will now object, why aren't you satisfied? The positions of so many party leaders, of the *Hamburger Echo*, of the *Chemnitzer Volkstimme*, and of Paul Lensch are, after all, historical facts. Why don't you accept them and then, finally, the civil peace? To which we want to modestly reply, that the existence of an opposition is also an historical fact, and that this can also perhaps be the motive to provide some enlightening words on the role of ideology in history.

The statement that history is never wrong is only one variant of the famous Hegelian assertion: 'Everything that is, is rational'. Engels has already shown that, in the sense of Hegel's philosophy of development, according to which every position will be negated forthwith, the opposite statement is equally valid: 'Everything that is, is irrational'. History is never wrong means the historical facts are given. A politics that makes demands and sets its goals without paying attention to historical change and historical conditions is empty speculation, a lazy construction that leads to mistakes. History, however, is only the point of departure for change, which politics, as long as it is not a pure and rigid conservatism, wants to realise. Thus, history is always wrong when set against politics; the old history is always wrong when set against the new, which politics aims to achieve by overcoming what has developed – but nevertheless only upon its foundation.

Thus, history is right only as long as we, to use Marx's famous expression, interpret the world (here that means observe what has historically developed). For it is the task of the historian and especially of the Marxist to explain historical development, that is to say, to show how numerous causal factors have necessarily created its current state. For him there really is no right or wrong, no value judgment, but rather only an understanding of the relationship between cause and effect. However, history is 'wrong', that is to say, it loses its right to exist, at the moment in which we don't simply interpret the world, but

want to change it. For then it is only the point of departure for our actions, rather than the object of our observation, and the principle behind our actions, should we be able to, and desire to, act at all, and not just be the object of others' historical activity, must now read: *history is wrong and our policy is right*.

Politics is, however, first of all conscious desire, the content of consciousness, ideology. And the entire course of history appears necessarily as the struggle between mutually hostile ideologies, which naturally in the final instance are determined by economic relations, over its content. And just as the existence of classes is necessary in class society, so, too, is the diversity of ideologies every one of which is historically 'legitimate'. But what history carries out in all of its decisions is in reality no mysterious judgment of the rightness or wrongness of an ideology, but rather the ascertainment of their strengths. That one ideology succumbs at a certain moment proves nothing more than that the economic forces, whose expression it is, at this particular moment are the weaker ones. But this decision does not at all mean that the defeated ideology, with unchanged or with modified content, will not be victorious at a later time when power relations have changed (and power relations under capitalism are permanently in flux). The course of history cannot teach us about that, but rather only theoretical insight into developmental tendencies and their possible changes, [tendencies and changes] experienced through the historical event, thus [providing] not insight into the past, but rather foresight about the future.

Cunow does not even attempt such an analysis. He simply makes ideology equal to illusion and decrees that those who have expected or demanded another tactic from Social Democratic parties are delusional, because history has settled the matter. Now history has in fact determined that the ideology of the ruling classes was stronger than the ideology not only of Marxism, in the narrow sense, but of Social Democracy in general. It has shown us – and that is, indeed, a very important event – that the power of intellectual self-affirmation within the working class is weaker than most had assumed.

But if Cunow had just wanted to tell us that, he could have saved himself the trouble. For with that the main question is in no way resolved. [It is] the question of whether this tactic or, rather, the subordination of the party's tactic to the wartime demands that the ruling classes have made on social groups should be maintained in the interest of the proletariat and its future or whether opposition is required. Does Cunow really mean it [when he says] that, because this tactic exists, it is rational? And doesn't he notice at all that, if this, as one must assume, really is his opinion, then it would mean the complete capitulation of theory, the rendering of one's own judgment as superfluous, and the proclamation of an untenable fatalism?

Cunow himself appears to feel that way, but instead of dealing with the questions raised by the war and showing how, after the war, its expected results would shape Social Democracy's position on trade and colonial policy, on military and naval policy, and so on, he seeks new material in order to discover illusions in the ideas of the Marxists. Cunow brands as one such illusion the supposed 'dogma' that capitalism long ago had run out of steam economically, and that, to a certain degree, it prolonged its life artificially using various means to hold itself together. We don't believe that Cunow found such a formulation in any scientific Marxist analysis. We ourselves worked in *Finance Capital* to prove that the so-called theory of economic collapse, which had dominated the thinking of some theorists for a while, is nonsense. In our opinion, in his second volume of *Capital*, Marx had provided the conclusive evidence that the capitalist process of reproduction can be continued on a steadily expanded scale, which is temporarily interrupted by crises that are then always overcome. Capitalism's economic suicide, its own self-annihilation, for which the proletariat, after having occupied itself during the waiting period with the struggle for partial reforms, must wait in order to introduce socialism, cannot occur. This theory of economic collapse is fundamentally false. And, in his *Road to Power*, Kautsky had expressed the same idea politically when he stated the incorrectness of the view that the power of the capitalist class was declining. Instead, social development led to the steady growth of both hostile forces, bourgeois and proletariat, and capitalism can only be overcome after the proletariat's victory in this clash.

But Cunow himself gets tangled up in the theory of collapse when, for his part, he announces the 'dogma' that society is not yet ripe for socialism and that the foreseeable future belongs to capitalism. Indeed, as interesting as it would be, Cunow does not provide the criterion by which one could recognise the preparedness or unpreparedness of society for socialism. According to his explanations, he appears to cherish the view that capitalism only would have 'run down' when, as Naumann once put it, the whole world was thoroughly capitalised so that, to put it rather crassly, the victory of the European-American proletariat depends upon the last little Negro (Negerlein) receiving his capitalistically produced pants from a domestic textile mill.* Then the world would be too small for the expansion of capital, the collapse would occur, and socialism would arrive. In contrast to this conception of economic fatalism, which

* Hilferding is referring here to a comment by Friedrich Naumann (1860–1919), a well-known German liberal politician and pastor who founded the National-Social Association, which aimed to compete with Social Democracy by promoting ideas aiming to bridge the gulf between capital and labour.

has to lead to political quietism and reformism, it must now be said that the question of socialism is not a question of capitalism's abstract potential expansion (even if it were as correct as it is wrong that capitalism – and still more highly developed finance capital – would not be possible without steady spatial expansion); it is rather a question of the proletariat's political power, which, historically considered is indeed a function of economic development, but for political action is at the same time a task of propaganda and agitation for the final goal. Cunow forgets, or in any case very much underestimates, the importance of authority, of state power, for the development of the economy, when he argues that socialism cannot be realised in the developed capitalist states as long as there are still capitalistically undeveloped nations anywhere. To be sure, no Marxist imagines the political shift in power or the grand process of organising the new economy so primitively or suddenly as Cunow so kindly assumes, and nobody has ever claimed that with one mass strike the whole thing would be done. It is really inconceivable how Cunow could arrive at such claims.

However, the question of the degree of capitalism's ripeness [for socialism], which in our opinion cannot be answered in economic terms, but rather only in political ones, only has significance for our policy under certain circumstances. From early on, the question within Social Democracy has been answered in diverse ways at different times. This diversity leads to differences only when one favours reducing our struggle to purely reformist politics. That is not necessary. We who regard reforms only as a means to an end have never fought with less intensity for them. By contrast, from the other point of view one can also devote all one's energy to the main fight against capitalism. Didn't Cunow just a short while ago argue strongly in *Vorwärts* against all expenditures for colonial purposes, including that of outlays for colonial railways? Isn't Cunow now raising the question merely in order to support a purely reformist policy and to turn away from his earlier politics based on principle?

But here, too, Cunow's insinuations are so confused that they give no clear answer. Initially, he engages in polemics against those who challenge the 'necessity' of imperialism. 'Not only for the Marxists, but for any social teachings grounded in science, the question is not about *what might possibly exist under other circumstances* and whether one might not be able to consider a different direction of development, but it is, rather, *simply a question of that which exists*, in other words, of what results from historically given preconditions and then actually comes to pass; what actually occurs in the process of development. That which takes form and comes to life as a consequence of development is historically necessary. Whether an individual can think of the development differently, whether it pleases him, whether it conforms to his

moral convictions, whether it conjures up military dangers, has nothing to do with the historical conditionality or necessity of developmental processes'.

Now, these sentences are, indeed, truisms for any Marxist. Whatever Cunow might otherwise claim, [Marxists] have never challenged them, but they don't have anything at all to do with the question at hand. For the issue is not about whether imperialism or some other contemporary historical fact is an historical necessity but, rather, it is about whether it will be [a fact] tomorrow, as it is well known that existence [today] proves nothing about existence tomorrow. For precisely what characterises historical necessity is that it is transitory, temporary, a moment in the uninterrupted flow of the development of all social life. For historical requirements – and they thereby differentiate themselves from requirements, as perhaps the laws of gravity express them – are the effects of constantly changing causes. Causal change, however, brings about change in effect. Historical necessity today is the result of class struggle. But the interests and goals of classes are constantly changing. The policy of the bourgeoisie is a different one in the period of early capitalism under the domination of commercial and money capital, a different one under the domination of industrial capital, and yet again a different one under that of finance capital. And, in the same way, the relations of power among the classes change uninterruptedly, as does the historical outcome in so far as [the latter] is the object of class struggle and is not distanced from it in the interests of all classes, as in, for example, the development of a written language from many oral languages or the development of the large enterprise after the disappearance of the old petty bourgeoisie.

Now, it is an old mistake of some socialists to conceive of much that conformed to a certain phase of capitalist development and to its concomitant class relations as an 'historical necessity', in the sense that it was, at a minimum, inevitable within capitalism. Something that is a transitory necessity, a level of development within capitalism, then becomes an eternal law of capital, to which the proletariat must subordinate itself as long as it is not in a position to realise socialism. So many things have already been described to us as such 'historical necessities'. Indeed, not the sixteen-hour day for men, women, and children, because protection for workers meanwhile had become an historical fact. But, for a long time, wasn't that the usual argument against unemployment insurance and against the establishment of minimum wages? In reality, this conception rests upon [the idea] that one makes one tendency of capitalism absolute and completely overlooks the counter-tendencies, whether capitalist or proletarian.

Cunow rightly criticises this mistaken simplification, which is often used as an especially radical pose, but then he himself falls victim to it as he presents

imperialism totally uncritically and as such an historical necessity. In reality, imperialism is the economic policy of finance capital, the money capital that banks put at the disposal of large industry, which they increasingly control, for investment as productive capital. Domestically, finance capital aims for production on an ever-larger scale organised monopolistically in cartels and trusts. In the interests of its organisation[s] and its sole domination [finance capital] aims to secure the domestic market through a system of protective tariffs, which sharply increases the antagonisms among states. Externally, its goal is above all the export of capital, thus necessitating the political domination of underdeveloped areas. To that end, finance capital makes use of the power of the state, which it controls. The violent conquest of colonies is necessary, because the more quickly [colonies] are opened up, the more massive the quantity of exported capital and the faster the turnover of domestic capital. The not yet developed regions are quickly incorporated into the developed countries' sphere of interest and power, a process interrupted when war erupts over the new division of colonial areas among the capitalist powers. Viewed historically, everything related to this policy is necessary (and only thereby could we predict the war's outbreak with certainty) and everything is indivisibly linked.

Is, therefore, this policy unchangeable? It is worth noting that it is precisely those representatives of 'relearning' who seem to believe that classes would not learn anything from this terrible catastrophe and that everything would essentially continue as it had before without the least resistance of the proletariat. By contrast, we believe that resistance against this particular form of expansionist policy and especially against its violent methods could become very intense. Finance capital's imperialist policy will certainly continue to exist, but other tendencies will rise up against it. Whether under their pressure capital's expansionist policies will assume other forms, for example, a type of reallocation of spheres of influence, or whether it will come to struggles in which the proletariat succeeds in taking power and in using it to secure its own social interests, is a question of fact that theory simply cannot answer with certainty. What is certain is that Cunow's method of recognising the 'historical necessity' of this imperialist policy and of recommending it to the proletariat is unsuitable for the goal of extracting what can be extracted in this new era, which is inevitable. For approving of imperialism, whatever Cunow might understand by that, means an extraordinary strengthening of imperialism, from which the proletariat can extract damned little. In general it is a grotesque idea, that, in its actions (of course not in its historical observation of the past, which is, in the end, not its function), the proletariat should approve of imperialism until capitalism is ripe enough for socialism, and then it should suddenly end this approval and turn its attention to socialism. For socialism can only be real-

ised in an unwavering struggle that is the denial and the continual practical negation of capitalism as an historical necessity. This negation is just as much an historical necessity for the proletariat as the affirmation of capitalism as the single possible and therefore historically necessary system is for the bourgeoisie. If the proletariat would limit itself to the affirmation of capitalism in any of its phases, instead of fighting not only against its particular features, but also as an economic system, then perhaps there would be a reformist workers' movement but no social democracy. If such a proletarian policy were possible, it would lead to the proletariat's accommodation to capitalism but not to its replacement by socialism.

A comment is also necessary on the immediate political consequences of Cunow's view. We've already mentioned that Cunow originally was completely opposed to the war (and, therefore, to the outlook of the [Reichstag] delegation's majority). A struggle that broke out over national questions in Eastern Europe appeared to him as a 'pointless interlude'. Here our fanatical believer in necessity nevertheless falls into a trap. For, because history is always right, this brusque remark is certainly a very serious ideological sin, apart from the noteworthy lack of historical and political understanding, which this disdainful comment betrays in regard to the enormously important and difficult nationalities problem in all of Eastern Europe including Austria. But what interests us much more in this connection is Cunow's admission that his change of mind about the war was in response to England's intervention, which clarified the war's imperialist character. In other words, because the war is imperialist, Cunow gave up his opposition [to it]! Cunow wastes no time stressing the proletariat's need to defend itself. He appears to think that, because imperialism is necessary, the proletariat has to participate in the resulting wars. But if one expects that some proof would be provided about the degree to which such a position conformed to the interests of the proletariat or even of the Germans, one would be disappointed once again. And one would also find no explanation of exactly why only the defeat of English imperialism is desirable, because the recognition of the historical necessity of imperialism still would not demonstrate that only German, and not English, imperialism deserved affirmation. This splendid conception leads unavoidably to the question of how to arrive at a standard according to which every capitalist state is accorded a measure of imperialist necessity. And because this question now would be decided only on the battlefield, obviously the proletariat of every country is condemned to bleed for this 'necessity'.

But that still is not enough. Cunow really draws all consequences. He attacks the German Reichstag delegation, because in its declaration of 4 August it said

'that every people has the right to national self-defence'. Naturally, that means nothing other than that Social Democracy, whatever the war's origins, would support the view that the independence of every nation be maintained. Of course this is because this principle is in the interests of the proletariat as a whole. Now, Cunow talks a lot about there being no 'natural rights', which, of course, every Marxist knows. He tells us that, historically, the independence of nations has been violated repeatedly, and, once again, he amiably invites us to recognise this 'historical necessity'. He also goes so far as to cite a well-known essay by Engels, in which he takes a stand against the Slavic nations and their nationalist strivings, which at that time played the historical role as bondsmen of counterrevolution. Completely apart from the fact that it is impermissible for the historian to overlook the basic difference between the position of these nations then and now – what should one say when Cunow inverts the basic principle that nationalist strivings for independence must be limited by the interests of the proletariat, [and says] that the proletariat must stop standing up for national autonomy and independence, because that contradicts the needs of imperialism! And history should prove that? This whole argumentation would bring us only to the reactionary wisdom that because the principles of democracy have not yet been realised, they also cannot be realised in future, a logic which, indeed, to use Cunow's favourite expletive, would be *botokudisch*.^{*} And that should exemplify the sole true 'party theory'.

We are now, finally, at the end of this unedifying debate with a man, who, through his ethnological and historical works, has contributed to our understanding of the past. Theoretically, his view would make Marxism into an historical school, to which, as Marx once said about the historical school of law, 'History, like the God of Israel to his servant [Moses], only shows its posterior', and which explains everything, understands everything, and therefore forgives everything. [It] therefore becomes reactionary, because it rejects deriving the laws of historical action, aspirations, and fulfilment from the comprehension of history's laws of movement.

If one really examined the consequences in practical terms, Cunow's affirmation of imperialist necessity means the capitulation of socialist ideology to bourgeois ideology, the transformation of Social Democracy into a reformist labour party, the marginalisation of socialist and democratic goals by a crass politics of interest, and the reduction of the class struggle from the goal of overcoming capitalism to that of adapting to it. Nevertheless, then, and only

* *Botokudisch* was an insult referring to people as uncivilised.

then, can collapse be mentioned, the collapse of precisely what is best and most important to the life of the labour movement, that which alone breathes life into the socialist ideal, not the simple fight to improve the workers' condition. For only the great goal of eliminating classes and of achieving the empire of freedom and equality provides the daily struggle among the [different] interests with its solemn character and breath-taking vitality. We don't believe in the collapse. We believe that precisely this great war will have steeled the working class anew and given it courage and determination to see the struggle between imperialism and socialism through to victory. As Engels, one who is no longer 'relearning', asserted to Bebel in his letters:

I would view a European War as a disaster. This time it would be deadly serious by unleashing chauvinism everywhere far into the future because every nation would fight for its very existence. All the work of the revolutionaries in Russia, who stood on the verge of victory, would have been for naught, annihilated. Our party in Germany would be overwhelmed by a chauvinist flood and destroyed, and it would be the same in France. The only good thing that could emerge from it, the creation of a small Poland, would occur with the revolution in any case, indeed from within. A Russian constitution [created] in the case of a disastrous war would have a totally different, more conservative meaning than one created by revolution. Such a war, I think, would set the revolution back ten years, [but] afterward it would certainly be all the more thorough.

And in another place, he writes, *'Such a war would be our greatest disaster. It could set the movement back twenty years. But the new party, which would finally have to emerge in all European countries, would be free of a mass of concerns and small matters that hinder the movement everywhere today'*.

Rudolf Hilferding, 'Historische Notwendigkeit und notwendige Politik,' *Der Kampf*, 8 (1915): 206–15.

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Europeans, Not Central Europeans! (1915)

It cannot easily be denied that the war is not an unavoidable natural event, but is instead the consequence of a particular capitalist economic and political policy, the direct continuation of the policy of protective tariffs, of violent

colonial expansion, and of the arms race on land and sea. One would think, therefore, that those who struggled against this policy and foresaw its results might also derive an all too sad and all too emphatic confirmation of their viewpoint, and that they will make every effort after the war to eliminate the causes that led to the catastrophe.

But the war is a mighty propagandist. The power relations of the moment appear in it with a force that overwhelms everything including the way people typically think. They appear as the sole reality, as the reality that reduces all other ways of political thinking into idle chimeras to which it is no longer worth paying attention. And it seems that the highest form of Realpolitik is to simply accept the relations of power both at home and abroad. Social Democrats inclined to affirm the foundations of the current system of domination call this 'relearning' (Umlernen), and there is no doubt that this intellectual capitulation would contribute substantially to the strengthening of the established order if it succeeded in getting the support of a considerable part of the working class. That the war itself awakens unexpected new tendencies or can unexpectedly strengthen those that were already present, but had not yet manifested themselves, is forgotten, despite all [our] historical experience.

On the other hand, the war has wiped out the last resistance to imperialist policy in the bourgeois camp and its political spokesmen differentiate themselves at most in the details of the manner in which they want to strengthen and spread the fundamentals of this policy. The comfort that this would be the last war, which at its beginning was supposed to help humanity get over its horrors, has already given way to the worry about readiness for the next one, the goals of which have already been put forward by Herr Rohrbach, German imperialism's tireless agitator.*

Concern about such readiness is also the basic idea of a new book by [Friedrich] Naumann, which he calls *Mitteleuropa* (Central Europe).²

If one believed that, prior to and at the beginning of the war, the formation of a coalition against Germany and Austria was caused by a policy that, precisely because it led to war, had proven its defectiveness, Naumann views this result as the unalterable starting point of his future policy. Armed peace led to war and the war, thinks Naumann and many who are with him, will lead again to an armed peace, which would only differ from the earlier one due to the larger scale and increased intensity of its preparations. One would not think,

* Paul Rohrbach (1869–1956) was the author of several works on Germany's role in world politics and its interests in the First World War.

2 Friedrich Nauman, *Mitteleuropa* (Berlin: Georg Reimer, 1915).

Naumann assures us, 'that at the end of this war the long jubilee of *eternal peace* begins! No doubt there will be much general desire for peace, because war victims and war taxes speak a rather urgent language. Then we will all be more deliberate than before in urging irresponsible warmongers to calm down and seeking peace among nations, but on the other hand, the war will leave behind an unbelievable number of unsolved, newly established, and old problems. It will have awakened disappointments and hopes, which express themselves in further arms build-ups. All war ministries, general staffs, and admiralities will consider the lessons of the last war, new weapons will be discovered, and border fortifications will be expanded in depth but especially in breadth'.

Naumann doesn't raise the issue of whether there would be some other method of solving the many unresolved economic and political problems than war or the constant threat of war, which is the meaning of an armed peace. The man who once labelled himself a democrat, although he and his national socialist friends, regardless of whatever party they joined, were never anything other than pace setters for the politics of the dominant forces, would never consider that a democratic management of international relations is also possible which, based on the recognition of the international solidarity of working humanity, wants to reshape international relations from top to bottom and replace violence with the legally [grounded] organisation of united and free peoples. Indeed, this is the basic issue of any future policy: for without a democratic foreign policy, true democracy at home is impossible. Where all national energy has to be focused on military preparedness; where all energy is concentrated on the creation of the strongest possible apparatus of power which, in accordance with its nature and purposes, must be organised oligarchically as an instrument of state power and of the dominant classes, there is no room for real democracy, for autonomy, for the right of national self-determination. The apparatus of power in the sphere of foreign policy remains at the same time a means of domestic domination; the right of national co-determination constantly collides with the limits of the dominant power relations. Naumann has no time for these problems. He stands with the policy of power and only asks how the power of the German Empire can be consolidated and increased in relation to the other powers.

The answer is clear. It is to make the current political and military situation eternal. The alliance of the Central Powers should be developed into a long-lasting 'trench warfare community'. Central Europe should be reorganised into a unified military bloc against England and France on one side and against Russia on the other. The 'Third Reich' – not a Reich of the spirit – emerges well armed and hungry for power in the world renewed by war.

Naumann subordinates all other aims to military ones. In order to make the military alliance between Germany, Austria-Hungary, and the others durable, it is necessary that both states form an economic community. The economic community of protective tariffs parallels the community of trench warfare. An intermediate level of tariffs should protect weaker industries and ease the economic transition. The cartelised industries should secure their holdings through state guaranteed contracts with [workers organised] in syndicates. 'Central Europe' should be united against the outside world.

Military and economic association requires certain joint institutions to implement the treaties that establish the community. These organs are commissions of officials appointed by the governments. [They form] a bureaucratic governing apparatus for Central Europe, the decisions of which would require approval of the [respective] national governments and parliaments.

The idea of 'Central Europe' is a product of fear. It was born out of worry about the form economic relations will take after the war if the antagonisms among the great powers continue. Above all the most important issue is whether England will be able to maintain its earlier system of free trade in the post-war period. This is really also the main issue for the German economy.

One might well assume that the war will strengthen those political currents in England in favour of the protective tariff. But that does not mean that the victory of protective tariffs in England is certain. As it did in Chamberlain's time, it will meet not only the resistance of trade and shipping circles as well as a part of the finished product industries, but above all that of the English working class, which must defend itself with all its power against a further artificial increase in the cost of living, which had already risen extraordinarily due to the war.* And a change in trade policy in England can hardly succeed against such resistance. But if there is a means to secure the victory of the protective tariff in England, then that is the formation of a central European economic area, which aims its spearhead against England, forces English industry to take countermeasures, and must create solidarity among all the classes of the English people and all parts of the English world empire. There would be nothing more mistaken and nothing more dangerous than believing that the English protective tariff is inevitable. The belief is very widespread that the war is a result of England's competitive jealousy and its effort to violently annihilate German industry. But that is only superstition. 'For a while', Kautsky says,

* Hilferding is referring here to Joseph Chamberlain (1836–1914), a successful British businessman, social reformer, and politician who, as a leading liberal party parliamentarian, also supported a robust policy of imperial expansion.

English industry stagnated after its industrial monopoly collapsed during the 1870s, while German industry rapidly boomed. At that time, in the eighties and nineties, German industry was feared in England. But it never led to war or the planning of a war for either protection of its industrial monopoly or later in defence against German industry. At the time of its industrial monopoly, it went over to free trade and it never gave it up in order to defend itself against German industry. And now it should have unleashed a war for that aim, one which destroys itself?!

Over the last decade English fears of German industry ebbed considerably, because English industry had overcome its stagnation and again experienced a splendid rise. At the same time, competitive industries are developing in all parts of the world, even in the English colonies. The annihilation of German competition, even if it were possible, would mean nothing less than the elimination of any competition for England. It would benefit the sales of non-English industries, for example to China or South America, more than that of English ones.

As a result of all that, fear of German industrial competition was much reduced in the decade preceding the war.

But one would not think that England's transition to the protective tariff would be the sole effect of a Central European customs union. The problem is more complicated. If Germany, Austria, and a pair of small states grant themselves reciprocal tariff privileges and place themselves against the rest of the world, what would be more logical *than that England, France, Russia, and Italy come to an economic agreement among themselves and against 'hostile' Central Europe*. To be sure, that would be the best way to secure a future peace, one that only would be the continuation of the war by other means, [a war] against an unholy constellation created by a mistaken and wicked power politics, which has united Western and Eastern Europe against the Central Powers. It is not necessary to look more closely at what an economic alliance of world powers would mean. We only want to remember one thing: Russia is the most important problem for the trade policy of the advanced capitalist states. It is to be expected that, with the government's all-out support, Russian post-war industrial development will move ahead even more rapidly than in the last years of peace. Since Russian industry alone can provide neither the ready-made goods required domestically nor the means of production for rapidly developing new industry, it means there will be great demand for commodities and capital! And then Germany and Austria should pursue a policy that reserves this gigantic, rapidly developing economic region for England, France, and their allies and would give England the best opportunity to develop a chemical and electrical

industry, which up until now was not really able to keep up with Germany's, and raise its industrial level at Germany and Austria's expense?

If one doesn't think in 'Central European' terms, as Naumann does, but rather rationally, then one recognises that there can be no greater danger for the future political and economic development of European humanity than this insane idea of a Central European customs union. Naumann himself nearly concedes that the economic advantages would be far outweighed by the disadvantages. The concept originates not from economic interests, but instead from those of power politics, in order to place the military strength of Central Europe's population at the disposal of German policy. Politically, it signifies the Central Powers' deployment for battle against the rest of Europe; it means that the armed peace would find its complement in a permanent tariff war, and it means that worldwide tensions also will continue after the war.

How does the problem of trade policy appear if one considers it from the standpoint of economic policy rather than the erroneous and damaging standpoint of power politics? Of total German trade, which in 1913 comprised 10.770 million marks in imports and 10.096 marks in exports, the traffic with Austria-Hungary amounted to 1,104.8 million marks in imports, and 827.3 million marks in exports, or less than one-tenth of the total. In contrast, Germany's came to

	Imports from	Exports to (in millions of marks)
Belgium including Congo	355.3	553.6
France including Colonies	665.5	805.0
Great Britain including Colonies (and Egypt)	2,209.2	1,849.2
Russia	1,469.8	977.5
Total	5,017.7	4,579.1

To this total must be added trade with the United States of 1,722.7 million marks in imports and 724.2 million marks in exports, while trade with Bulgaria (8.8 and 30.3 million marks) and Turkey (74.1 and 98.9 million marks) doesn't amount to all that much. Simply adding the totals shows what a thorough analysis of individual figures would fully confirm: what madness it would be

from an economic perspective if Germany allowed its trade relations with the rest of the world – and at this moment of commercial differentiation in favour of Austria, the United States would have to be counted among those on the other side – to be upset because of a problematic improvement of its Austro-Hungarian trade.

But how does the issue appear from the Austrian point of view? Of a total trade in 1913 (imports of 2,885 million marks, exports of 2,349 million marks), exports to Germany came to 830 million marks and imports from Germany stood at 1,100 million marks. The other countries followed from far behind:

	Imports from	Exports to (in millions of Kronen)
British Empire	531.0	40.3
France & Colonies	122.7	84.3
Russia	202.4	103.3
Italy	169.0	215.6
Belgium & Congo	42.6	27.4
Total	1,067.7	837.9
United States	323.3	70.2

Thus, for Austria relations with Germany are actually most important. Now, unfortunately, these relationships are not judged very positively in Austria. Austrian exports to Germany consist mainly of agricultural and forest products, [while] Germany exports primarily industrial products to Austria. The following table illustrates the configuration of Austrian and German trade:

Year	Imports from Germany (in millions of kronen)	Exports to Germany (in millions of marks)
1890	440 (1891)	583
1900	635	704
1905	804	752
1906	—	810
1907	993	813

(cont.)

Year	Imports from Germany (in millions of kronen)	Exports to Germany (in millions of marks)
1908	1010	751
1909	1081	754
1910	1186	759
1911	1282	739
1912	1441	83
1913	800	230

Philippovich, himself a supporter of a tighter Austro-German community, comments on this table:

The change in the trade balance in 1906, therefore, after the signing of the commercial treaty with Germany, is clear from this overview. The treaty was signed by Austria-Hungary due to the influence of experiences from the past. It was above all reductions in foreign tariffs on agrarian products that were best for our economic interest. Thereby, our domestic industries were less well protected. Anyone who looks at the import and export figures today must say that the assumptions for our trade policy are no longer based on the facts. The growth of the domestic consumption of agricultural products, through population growth and a rise in buying power due to increased industrialisation, has doubtless led to a situation in which rising prices at home have limited exports. But it should also be pointed out that the intensity of agricultural production, in other words the achievement of higher yields through the improvement of methods of cultivation, has not yet achieved such a scale here as in Germany.

Philippovich points that out in detail and shows how our exports of crops and cattle has fallen, while, by contrast, German imports in the most important branches of industry have rapidly increased. Philippovich concludes, 'it is clear that, with the renewal of trade relations between Austria-Hungary and Germany, our side must be concerned that our rising industries receive enough protection until they are in a position to survive in free competition with the Germans'.

With that [comment] we have arrived at a very important point. Externally, the age of finance capital often bears an amazing resemblance to the politics

of early capitalism. At that time, too, there was a drive toward monopolisation of individual branches of domestic and foreign industry and trade. [It aimed] for the greatest possible share of the world market also using protective tariffs and colonial policy. And, just as this earlier policy had led to endless struggles among the developing capitalist states for the domination of the sea and for control over trade, today the neo-mercantilist policy threatens to lead to the endless struggle of the great powers for supremacy, a struggle in which the ongoing war, with all its horror and in spite of all its exhausting sacrifice, only would be an episode until its next decisive round. Today, more than ever before, a decision on economic policy is simultaneously a decision on war and peace, a decision on the continuation of imperialist rivalry or the beginning of the solidarity of humanity.

But also, starting from the limited material interests of the working class – and, despite the most recent conviction of the vulgar Marxists, there are actually higher interests than immediate income-related ones – the question of free trade is more important than ever. Even before the war the problem of the rising cost of living became increasingly intense. The war will make the impact of the tendencies in the world economy, which have fuelled the rising cost of living, more acute. The loss of human lives, damage to the soil, the shrinkage of the cattle herds, reduced immigration to the agricultural countries overseas and a slowdown in their exploitation will keep the price level for agrarian products high over the long run, unless a long-lasting industrial depression reduces the demand for agricultural products, which would be a sign of an even more rapid decline in workers' income. Against the rising cost of living there is really only one effective instrument: the elimination of tariffs and the transition to a policy of free trade.

Of course, Naumann, who would rather harangue than argue and who wants to be convincing when he cannot be, also overlooks [the possibility of crisis], like all other difficulties, effortlessly. He, the one-time free trader, resigned himself to protective tariffs just as easily as the one-time democrat did to power politics. For him the question is resolved with the victory of Germany's protective tariff parties. For this kind of 'democrat', recognition of what exists is the political wisdom of the last word. For the working class, however, the maintenance of the protective tariff system after the war will be even more unbearable than before.

But wouldn't a German-Austrian economic alliance perhaps be a first step to a more free-trade oriented future? Since it would be difficult to achieve reconciliation with the other states, wouldn't the German-Austrian Association mark a beginning worth imitating? Wouldn't the unification of the two separate economic territories be progress? And if the new economic association demon-

strates moderation in its commercial policy, wouldn't foreign countries then easily resign themselves to the newly unified economy?

It would be an underestimation of all relations of political power to suppose that 'Central Europe' would be formed as anything other than an association with high protective tariffs. We have just seen that the last trade agreement, despite its fairly high industrial tariffs, was in no way satisfactory. In order to make a closer commercial community even discussable, those embarking on the project must recommend an intermediate level of tariffs between Germany and Austria from the beginning. Right now Austria's main industrial rival is Germany. The intermediate tariffs cannot be much lower than those now in force, which appear to the Austrian factory owners still to be too low. Thus, per 100 kilos the tariff (in marks) amounted to:

Product	Austria-Hungary	Germany
Wrought iron	5.20	2.50
Tin	7.65	3–4.50
Wire	8–11.94	2.50–3.75
Tools	32.80–42.70	15–28
Locomotives	24.25	9.11
Steam Engines and Motors	15.30	3.50–11
Worsted	10.20–40.80	8–24
Coal Tar	15 % of value	no cost

With a series of other figures the difference is, indeed, smaller, but on the whole the Austrian industrial tariffs are much higher than the German ones.

Now consider the situation of commercial trade. In Germany, the association of cartelised industries and the agrarians has strengthened the position of protective tariff supporters extraordinarily. In Austria and Hungary the agrarians by themselves are already very powerful, they are very much inclined toward protective tariffs, and so is the whole of industry. The German and Austrian efforts on behalf of protective tariffs together would produce a customs union, which, with high intermediate tariffs, would establish a still higher joint tariff against other states than had earlier existed.

Moreover, there is something else. To make reciprocal preferential treatment among the central European states possible requires dropping the most favoured nation clause, which the Frankfurt Treaty established between Germany and France and which is contained in almost all trade agreements. As

is well known, the clause forbids treating any third country better than those signing the treaty. Every benefit granted to one state must therefore be granted, without demanding anything in return, to all other powers that have joined the agreement. The most favoured nation clause was, therefore, an effective instrument in generalising tariff reductions and reducing obstructive tendencies. Its removal increases the danger of tariff conflicts, narrows the impact of tariff reductions significantly, and makes signing commercial treaties more difficult.

That our comments are not merely of a theoretical nature is demonstrated by the decisions taken in July of this year by representatives of the Central Association of German Industrialists, the League of Industry, the Agrarian League, the League of Christian Farmers, the German Farmers' League, and the Imperial German Middle Class Association, all of which were generally approved by German industries' wartime management board. The demands of the representatives of German industry and agriculture are as follows:

- a) Raising of various agricultural tariffs;
- b) Limitation of the most favoured nation clause almost to the point of its complete abandonment;
- c) The fixing of reciprocal preferential treatment for Germany and Austria-Hungary through the declaration of a large number of current treaty-determined tariffs as preferential tariffs and the increasing of this tariff for all other states.

Thus, the decisive makers of German economic policy want to found a German-Austrian economic community as an association that will fight for protective tariffs, and those who control Austro-Hungarian economic policy are possibly even more enthusiastic about protective tariffs than the Germans. Social Democrats will hardly be able to deny that this policy most sharply contradicts the interests of the working class, its policy of peace and its economic policy. The German Reichstag delegation and the Party Council have also already taken a position against the efforts of the protective tariff supporters. Their well known guiding principles on the peace question demand:

- a) An open door, which means equal rights for economic activity in all colonial regions;
- b) The placement of the most favoured nation clause in the peace treaty with all other warring powers;
- c) Support for economic convergence through the elimination of tariff and transportation barriers in so far as possible.

Social Democracy's slogan must not call for closing off [the system] or for battle readiness against formerly hostile foreign states. It must not be for the maintenance of a political constellation, which in truth does not parallel the people's interests, but rather it must be for the greatest possible convergence in the spheres of economics and politics.

But there are plans, like those put forward by Naumann, which stand in sharpest contradiction to that [position]. Certainly, we also wish for closer relations with Germany and we very much agree, when our backward economic legislation, our social and political institutions, and the whole administration could be reformed in ways that approximated those in Germany. But we are for a league of nations in keeping with their interests, and not for entities, which want to place them in the service of destructive power politics.

We must touch on one additional issue. As is well known, Hegel had expressed the Prussian view that the only thing one can learn from history is that one cannot learn anything from it. This view was too optimistic. Usually one extracts false analogies from history. Thus, Naumann convokes the example of the German Customs Union (Zollverein), the predecessor of German unity, and hopes that other states will soon attach themselves to the German-Austrian economic association. We have a different opinion. Just as, domestically, the war has meant a very substantial shift in the distribution of income in favour of the agrarian strata and, as a consequence, a long-term increase in ground rent, for the world economy that means there will be a strengthening of the agrarian countries. Their commercial position will be improved by the intense need of industrial countries for their products and the rising price of agrarian products will increase their economic return. The effort of all agrarian countries is, however, consistently to support the rise of their own industry. The war, which has made clear the importance of industry for military organisation, will give this effort a boost and the surpluses from increased ground rent will make it possible for these countries to accelerate their industrialisation. Therefore they will seek to protect themselves from superior foreign industries more than ever before. And on the continent the superior industry is German. It is superior not only because of the better training of its workforce and the higher level of its technical and economic organisation, but rather also due to its position in the West, its harbours on the North Sea, and its easy access to the most important world trade routes, which most Eastern states lack. For the other states, connection to Germany means, therefore, a slowing down of industrial development and long persistence in an agricultural condition. In the German economic area, which formed the basis of the Customs Union, the industrial upswing was the upswing of one nation and in Germany

itself the agricultural east observed the ever more magnificent unfolding of the west with disapproval until the constantly rising agricultural prices and the state-supported agricultural industries (e.g., sugar, spirits) reconciled the agrarians to this development and they harmoniously joined up with heavy industry in the fight for the protective tariff. In 'Central Europe', however, the Czechs, Magyars, Romanians, Bulgarians, and the Poles would not be reassured at all that German industry would enter into a new upswing, while their own was left behind. They don't need to worry about their own agricultural production, because this also would find a market with higher prices without the economic association. Thus, the Central European states would have to insist on high intermediate tariffs for industry, like those wanted by the Austrian and Hungarian factory owners. On the one hand that reduces the value of the association for Germany, but on the other hand it raises the common tariff wall against the outside world and, finally, with every renewal of the agreement it provides the reason for conflict. Far from providing greater long-term strength, the economic association will carry with it frictions and disturbances, which will have the character of national struggles. And what that would mean for the inner strength of structure does not need to be explained.

With that the most essential points have been exhausted. We would like to just briefly mention that, in such a Central European association, the most important business, the leadership of foreign policy, of military affairs, and of economic policy would be removed from direct parliamentary influence. What that means for the power of parliament the Austrians know from their own experience. It is no longer surprising that Naumann, the nationalist, wants to pay little attention to national affairs, since, as in constitutional matters, all democratic and national questions are subordinated to the viewpoint of German imperialist power politics. That it does not exactly increase the attractiveness of the concept, however, will not amaze the German imperialists all too much.

And that, finally, is the decisive thing: Central Europe, as Naumann and others imagine it, is nothing more than the creation of a structure in which all countries would become the political and economic subordinates of the Germans, and the German people itself would be the instrument of a policy the content of which would be determined by Germany's dominant classes. We have already demonstrated the consequences of this policy: that it would make the political and economic alliance of our current opponents into a long-lasting one, and that it would be the greatest hindrance to our economic and political efforts. What Naumann wants is to make trench warfare eternal. What we want,

however, is to fill up the trenches forever. We don't want any separation, but rather the unity of nations. We don't want Central Europeans. If we want to end this terrible European civil war, we want to finally become good Europeans.

Rudolf Hilferding, 'Europäer, nicht Mitteleuropäer!' (1915), *Der Kampf*, 8, 357–65.



For the Future of the German Workers' Movement (1916)

The division in the Social Democratic fraction of the German Reichstag is a phase in an important and grand historical process. Only as such can it be valued correctly.

The war in itself is no revolution. Surely, recognising the war as the continuation of the politics of the dominant classes via other means should prevent us from identifying it as such. But war, with all its unpredictable attendant phenomena and results, asserts the law of diverse purposes more than other social occurrences. According to this law, historical events give rise to completely different consequences than those foreseen and desired by [history's] agents. Thus, instead of realising and strengthening the policies of the dominant classes, wars can, through the unwanted social effects that accompany them, in the final instance shatter the position of the rulers. [Wars can] strengthen the oppressed when the latter are able and in a position to recognise their particular interests and are determined to realise them.

We Marxists foresaw that capitalism's antagonisms and their imperialist politics were driving toward the great military catastrophe and we have explained their causes. But we also predicted that the horrible war would give rise to the hardest and most difficult struggles and to the most thoroughgoing social and political transformations. We expected this reorganisation to result not from the war, but from its consequences, not from the battles against external enemies, but rather from the subsequent class struggles.

And we Marxists have also predicted a third thing, and here the older ones have seen it perhaps more sharply than the younger. If Engels and Bebel feared a European war so very much (and did not welcome it, like some Umlerner, as a 'revolution'), they feared not only the impoverishment and destruction, not only the terrible difficulty of the new socialist life emerging from the ruins of the old capitalist world, but, above all, they feared the setback of the socialist movement as a result of the rise of nationalist and militarist thinking.

Their fear was realised in every country. Not in a form, however, in which the masses left the party to join another one; there is no sign of that anywhere. Instead, a part of the Social Democratic leadership itself became susceptible to a politics that increasingly deviated from the principles and tactics understood to be social democratic at the time of the war's outbreak. The antagonism, which Engels and Bebel had seen as one between Social Democracy and the bourgeois world, became an antagonism within Social Democracy.

Once established, this antagonism, in accordance with historical necessity, had to steadily deepen. By placing itself in the ranks of the bourgeois parties on the paramount issue facing bourgeois society, opportunism won the game. In Germany, the hitherto sharp antagonism toward the government and the bourgeois parties suddenly diminished extraordinarily. The party's [new] outlook gave rise to joy and satisfaction in broad circles. It seemed like the party had opened up new areas for its expansion, it had made the resistance of its opponents more difficult, and it created the possibility of a change in the government's attitude toward its agitation and toward the trade unions' organisational work. At the end of the war, which one expected shortly, the party's position had to emerge stronger than ever, because its opponents could no longer take advantage of their most important weapons in their political agitation. And, at first, it did not do anything to diminish these high expectations when one forgot the main issue: that the party was in danger of losing its essence and that the expected cooperation no longer applied to the old party, but rather to a transformed one.

Now, should one allow these prospects to be undermined and ruined by a politics of principled opposition that, as it appeared at the time, was hopeless and opposed to all popular sentiment, would have weakened the party, reduced its following, endangered its organisations, in short, would have weakened it as a political instrument just when it should have been led most energetically and forcefully? To the leaders, opposition to the party's position seemed to be an annoying danger to the party's interests, which they believed they had protected so well in the great crisis. Therefore, the leadership turned against the opposition with all its power.

On the other hand, the right [wing] of the party, consequently opportunism, saw that its time had come. The tactic that it had consistently supported – that would make long-term political cooperation with other parties possible – appeared to be at hand. This now meant to be consequential, to break with the unfruitful politics of protest, to liberate themselves from traditional dogmas, and to execute a practical politics of reform.

And it is no longer just about [the party's] position on the war. If one wants to secure benefits, then everything that later on could make cooperation with

the bourgeois parties more difficult, anything that could sharpen antagonisms anew, must be pushed aside. The vote of 4 August had to become a politics of 4 August; from a real or supposed emergency action emerged the point of departure of a new tactic. The entire position of the party on basic political questions was declared settled. Propaganda was carried out for the approval of the army and navy budgets, for colonial and protective tariff policies, and even for indirect taxes. And if a certain division of labour has to be conceded and not everyone on the right is as united as the writings of Kolb and Peus assert, all efforts are nevertheless leading in the same direction: to a new orientation of the party's politics and the transformation of the party into a reformist labour party.

These endeavours parallel tendencies of accommodation that arise from the workers' struggle for emancipation itself.³

3 'The intellectual, moral, and material improvement that the workers' movement has brought to the oppressed, deeply impoverished, vegetating class, and the elevation of the workers from 'talking tools' to human beings has made capitalism more bearable for the working class and made capitalism itself capable of surviving. It empowered the working class as such intellectually and physically, made it better able to fight and more self-conscious than any other oppressed class, but it also simultaneously made the undignified life [under capitalism] less unbearable and moderated the drive toward revolution. In ceaseless political and trade union struggles, the workers' movement had changed a capitalism that murdered children and caused death by starvation into one in which the realisation of tendencies toward impoverishment became impossible. It had thereby protected it from a revolution of the despairing (but also low and uncultivated) masses. Paradoxically, the counterrevolutionary impacts of the workers' movement weakened the revolutionary tendencies of capitalism.'

The most recent phase of advanced capitalist development creates of its own accord additional conservative tendencies. The rapid development of world capitalism since the middle of the nineties in the last century shortened the periods of depression, which moderated chronic unemployment. During this period, the most developed capitalist states – Germany and the United States – no longer are familiar with the reserve army of the unemployed in the old sense; they require the constant importation of foreign labour power in agriculture and industry and it is they who bear the brunt of crises. Finance capital – the domination of a few giant banks over monopolistically organised industries – has the tendency to reduce the anarchy of production and it contains the seeds of anarchic capitalism's transformation into an organised capitalist economic order. The gigantic strengthening of state power, which created finance capital and its politics, works in the same direction. Instead of the victory of socialism, a society seems possible that is, indeed, organised, but along class (*herrschaftlich*) rather than social democratic lines. At its head would stand the unified powers of the capitalist monopolies and of the state, under which the working masses would be hierarchically organised as officials in production. Instead of socialism overcoming capitalism, an organised

Before the war, these tendencies were stronger than countervailing ones, which were called forth by the growing power of the cartelised and organised enterprises as well as by the rising cost of living, which meant a slowdown in the rise of the working class or the beginning of the fall in its living standard, and which had begun to have politically radicalising effects.

Opportunism had always been based on the tendencies toward accommodation and their presence also explains its practical strength. These tendencies impact the whole working class, they influence every worker, though the individual skilled, well-paid, and organised strata of workers more than the others. In a non-revolutionary period, as it was before the war, recognition of the merely transitory character of such accommodations to the capitalist system and of the inherent limits of mere reform work is basically of a theoretical nature; it stimulates ideas, but does not directly stimulate mass action. For us, that clarifies the antagonism, which the opportunists always stress, between the party's pure reform activity, essentially its reformist tactic, and its maintenance of a revolutionary ideology, a contradiction, which did not grow out of the leadership's arbitrary inconsequence, but rather from the ambivalence of the situation in which the workers' movement found itself. And, in reality, the longer this tactic continued, the more all the currents in the party became unhappy with it.

If one notices that these tendencies effect all parts of the working class, then this also clarifies why the clash between radicals and revisionists is so widespread and represents an antagonism that is not limited to any particular locale or layer of the working class, but instead is encountered almost everywhere among the workers in varying degrees of strength and intensity. At the same time it becomes clear what a great role the effect of ideology plays in [promoting] fundamental enlightenment at a time of conflict between the immediate daily interests and the long-term demands of the proletarian struggle for emancipation. Precisely because the latter are not immediately perceived in respect to the accommodationist tendencies, but presume a higher degree of knowledge and schooling, the power and influence of the leaders and the press

capitalist society would emerge that would accommodate the immediate material needs of the masses better than the earlier one.

And, if one leaves out of consideration the counter-effects of democratic-proletarian activity, the event of the war can only strengthen these tendencies. What one calls 'war socialism' – and what in reality is only an enormous strengthening of capitalism by the power of its organisation – works in this direction. And the state, the power and self-confidence of which is also increased enormously by the war, will also support these tendencies certainly for financial reasons' (Hilferding, 'Arbeitsgemeinschaft der Klassen', *Kampf*, VIII, Nr. 10).

increases, and in fact we often see that the position of party comrades, despite greater or lesser degrees of resistance, changes with the opinion of their representatives or their newspapers.

For the person who makes these tendencies toward accommodation the guiding thread of his politics, socialism and its prerequisite, the conquest of political power by the class-conscious proletariat, fades away into the remote future. His politics naturally is focused on the achievement of immediate reforms, and he wants to keep at a distance everything that might create unnecessary resistance, resistance which is unleashed by stressing the fundamental transformative goal of the workers' movement and places it in absolute antagonism to the whole bourgeois world.

It seems that the war has pushed the achievement of the socialist final goal into the distant future. Rather than encountering resistance, the war unleashed enthusiasm, the state exhibited its maximum authority, and the economy quickly overcame its initial crisis by transforming itself for war production. The capitalist system appeared to be stronger than ever. It then occurred to many to 'recognise' the fact of this Realpolitik, to place themselves on the terrain of the capitalist state and its imperialist policy, to give up any opposition to power politics, to no longer stand against power political goals and, given the now reduced political conflicts, to extract what reforms one could for the working class. Meanwhile the state had to be unconditionally supported during the great crisis, Social Democracy had to limit itself to urging assistance for the poor, and it had to leave the government's policy and its implementation to the military leadership. And who will deny that the socialist parties have done this in the broadest sense? If the French party joined the government through its ministers, then, in Germany, Social Democracy, more than any other party, has been the most unconditional governmental party on the war question. It has repeatedly abandoned all self-examination in the naïve illusion that its peacetime goals could also be those of the leading man [Chancellor Bethmann Hollweg] behind German world policy, until it finally was revealed that it had also repudiated its independence in regard to peacetime goals and is now prepared to accept the Chancellor's war aims.

Opportunism's political calculation initially appeared to be irrefutable. But it reckoned only with the immediate situation and forgot precisely what is decisive: the transformative social effects that the war must create. Carried away by 'relearning', one forgot to learn what enormous consequences the war had to bring forth for the position of the classes and the deepening of class conflict, and what gigantic and no longer resolvable social and internal political problems it would bequeath to capitalism. Indeed, over time the immediate effects

of the war had to awaken a completely changed attitude among the masses and a wholly different consciousness of their true interests. Instead of the glorification of war socialism, the critique of the unsatisfactory provision of food. Instead of unanimous readiness to sacrifice, the struggle, or better, the need for energetic struggle against the rising cost of living and speculation in food prices. Above all, instead of enthusiasm for war, the growing desire for peace. Thus, increasingly instead of hearing the question: What is the party's position on the war? The question in the forefront is: What is the party doing for peace?

From the beginning, the opposition had warned the party leadership against giving up its political independence. It was in vain and the consequences became clear only too quickly. Affirming the civil peace (*Bürgerfrieden*) made any effective struggle against marshal law and censorship impossible, made it difficult for the party to provide its followers and its representatives with the correct orientation, made any other action than favouring the government impossible, and allowed practically all imperialist agitation to go forward almost without hindrance. Above all, the politics of the socialist parties had made the most important and unconditional prerequisite for a policy of peace, joint, international action, impossible. Fearing for the fruits of their politics if the radical factions got the upper hand, the leadership mistakenly focused much of its energy against the opposition, came to increasingly identify itself with the government's policy, and, at the same time, in order not to weaken its position further, gave the right a free hand to bring its concept ever closer to its own and thereby, through its view of the present, ever more strongly to prejudice the party's perspective in the future.

For the opposition, however, from the beginning it has been about the future of the workers' movement, about its socialist existence or non-existence. It believes it is in the vital interests of the proletariat to maintain its consciousness of the international solidarity of its interests, because only in this way can the ideals of socialism be realised. It believes that any policy is mistaken if it results not in the strengthening but in the weakening and destruction of this consciousness. It believes this policy to be all the more damaging when it makes impossible the most pressing immediate task of proletarian politics: the task of working for peace.

But as eternally important as is this question, there is an even more important one. The war challenges society with tremendous problems. The relations that led to war are not swept away by it. The solutions at which the dominant powers can arrive will not eliminate the causes of the military entanglements, but will intensify them. The imperialist drive for expansion among the advanced states and their efforts to realise their goals by violent means will remain. The national problems of the rising capitalist states in the east will

continue and they will become yet more complicated and more dangerous for peace. Therefore, the efforts that have fuelled the arms race at sea and land will continue and, hence, constantly endanger the peace. The domestic political problems will also be enormous. Covering the huge financial burdens will unleash the most difficult struggles. Solving the problem the usual way with taxes appears scarcely possible. The society will see itself facing the issue of sharp disruptions in production and distribution. This [will happen] at a time when a far reaching change in property relations has occurred, trade relations have become insecure, and the tendencies for the rise in the cost of living, which existed earlier, have extraordinarily intensified. *The issue of the [continued] existence of the bourgeois world will be decided in these struggles. It is a question of whether the era of finance capital, with its domination by banks and cartels, will give way to an era of an organised, hierarchically structured state capitalism, in which the power of the state is enormously enhanced, or whether it will be succeeded by a socialistically organised society with its concomitant democratically organised administration.*

The decision on this question depends on the proletariat's position and its ability to fight after the war. That the war itself will unleash a series of tendencies, which will find the strongest political will in the proletariat, cannot be doubted objectively. Then proletarian politics can only have one task, and that is to make sure that the proletariat itself develops the subjective consciousness and the greatest clarity of its immediate tasks, so that it recognises what is coming and is ready to do what is necessary. This task can only be achieved, however, if it is already set in motion during the war in order to prevent the proletariat from emerging from the war with its understanding of the conditions of its fight for emancipation clouded and with its wants limited to a reduction of its poverty. *The struggle for peace, which the opposition demanded, and Social Democracy's break with the government and bourgeois parties, was therefore simultaneously necessary and most promising for the future of socialism.* Filled with this awareness, the opposition could not forego bringing its perspective to bear and speaking to the proletariat.

The state of siege, however, created the critical need to speak where it was still halfway possible to do so – in parliament. That this occurred in the form of a 'breach of discipline' is not the opposition's fault. It was repeatedly pointed out to the majority that the antagonisms within the party had to be discussed. The majority had prevented this and thereby endangered the party's unity, which it claims to serve. It found support for this policy in the party's executive committee. If after 4 August the executive was unable to lead the party in such a manner that it could prevent the antagonism of large segments of the party to its policy from intensifying and becoming sustained, as is now the case, then

at least it might not have sharpened the antagonisms by hindering discussion. On the contrary, it should have encouraged it, because in wartime only that could have protected the party from deep shocks to its structure, as well as making the party congress the decisive judge of the party's future politics. By making itself into the instrument of one current and the opponent of the other, it sharpens the antagonisms within the party to the greatest extreme and robs itself of its function as a unifying force, which precisely at this moment should be its essence.

Its perspective is short-sighted because it believes it can master an historical process, which inescapably unfolds according to the requirements of social necessity, with oppressive means. What is actually occurring is that process of reorganisation now taking hold of all workers' parties, which itself is only a part of that entire revolutionising process, which is what the war means for the bourgeois world. If, as we believe, the impact of the war will be a deep social transformation, then it follows that the main bearer of this transformation, the social democratic working class, will be affected by it. It must emerge from this process different than when it entered it, with greater clarity of purpose and above all with greater readiness to act. To serve this process of transformation, to prepare the new that wants to come, that is the historical task that the opposition has to fulfil, while those who endlessly boast of their 'relearning' are only the conservative representatives of the old tactical tendencies and views, which the war has relegated to the past.

Because we are concerned with a deep and progressive process, it is completely understandable that there are various viewpoints within the opposition. It is a question of intellectually breaking with some traditional conceptions and formulas, [a process] that moves steadily forward in stages and in accordance with individuals' varying degrees of knowledge and temperament. The formulas, proposed at a time in which they can be scarcely known to the public, never mind discussed and criticised, serve a useful purpose as soon as they describe new problems and stimulate more thoroughgoing examination. That they become a danger for the unity of action, however, need not be feared. It would be completely wrong to equate the differences within the opposition with the antagonisms from the pre-war period. What divided the radicals at that time was their different view of the degree to which the masses were ready for action. The war has made this question moot. Its impact must be to increase the activity of the worker masses. Therefore, we reject allowing ourselves to be conceived of as a 'Marxist centre'⁴ that stands in conflict with other opposi-

4 We have consistently viewed this expression as an unhappy one. We have always regarded it as

tional groups. It is a situation in which Marx's comment must apply: One step forward is more important than a dozen programmes.

We also are hoping for one step forward by those comrades who in most regards share the outlook of the opposition, but, because of the formal violation of discipline, have not yet joined it. We fully understand their motives; they were, after all, the motives driving all the members of the delegation on 4 August. But it is a question of whether, with their view, they have most effectively served the purpose of protecting the unity of the party. By remaining with those with whom they are at odds in the delegation and keeping their distance from those with whom they agree, they mask the true relations of power. The apparent weakness of the opposition, however, has led the authorities to take those disciplinary measures, which, through the bitterness that they must arouse, cause a real danger to party unity. If they recognise that, then perhaps the attraction of the authorities will no longer be the voice of destiny for them. It is not the weakening, but the strengthening, of the opposition that will reduce the danger of a split and hinder the authorities from continuing a policy that can only damage the party for the long term.

The opposition looks forward to the future, whatever it might bring, and will do its duty with firm courage and proud awareness. It is fully convinced that it is the instrument of historical development that will bring victory to the cause of socialism. History and history alone can decide whether this belief, whether this political and scientific insight, was correct. But however the decision turns out, they will have to say one thing about the opposition: They have lived up to their words. In the hour of decision they did not leave socialism in the lurch.

the difficult, responsible, and honorable duty of Marxists to live up to the proud words used by Marx and Engels to describe the communists: 'The communists distinguish themselves from the other proletarian parties by this only: 1) In the national struggles of the proletarians of different countries, they point out and bring to the front the common interests of the entire proletariat, independently of all nationality. 2) In the various stages of development, which the struggle of the working class against the bourgeoisie has to pass through, they always and everywhere represent the interests of the movement as a whole.

The Communists, therefore, are on the one hand, practically, the most advanced and resolute section of the working-class parties of every country, that section which pushes forward all the others; on the other hand, theoretically, they have over the great mass of the proletariat the advantage of clearly understanding the line of march, the conditions, and the ultimate general results of the proletarian movement'.

Just as in the case of Marx and Engels, that does not prevent us Marxists, if need be, from opposing individual progressives who judge the situation differently. But the function of being a forward driving element nevertheless contradicts holding a long-term position in the centre and never more than in such a stormy moment as the current one.

Rudolf Hilferding, 'Um die Zukunft der deutschen Arbeiterbewegung' (1915–16), *Die Neue Zeit*, 34 (2): 167–75.



Revolutionary Trust! (1918)

In a powerful rush Germany's workers and soldiers have conquered political power and hold it firmly in their hands. Now it is essential to maintain it and to use it to realise the proletariat's goals: the achievement of full democracy and the socialisation of the means of production.

We all want the goal, but which road leads us there? Before the Russian Revolution there was no doubt: the conquest of political power and the creation of democracy on the basis of which socialism would be built. For the proletarian revolution, according to Marx, is the revolution of the vast majority in the interest of the vast majority.

The Russian Revolution went down a different path.

At the start the demand for an All Russian Constituent Assembly was the demand of all the revolutionary parties. But when the Bolsheviks saw that they were a minority in the Constituent, they closed it down and proclaimed the continuation of the dictatorship of the workers' and soldiers' councils. This first step was followed by others with ineluctable results: all other parties, groups, and strata were stripped of their political rights and, as violence was answered with violence, the rule of terror began and civil war was proclaimed.

From practice came theory: the rejection of democracy and the thesis that only the terrorist dictatorship of the soviets could bring about the realisation of socialism. Theories and ideologies arise out of economic relations. The rejection of democracy and the view that only the armed force of the soviets can transform bourgeois society into a socialist one originated in the economic backwardness of the Russian agrarian state within the enormous borders of which the industrial proletariat represents a small minority. From the colossal necessity of Russian socialism, against whose political power the backwardness of economic conditions rebelled, terrorist dictatorship was made into a virtue.

We are not making a judgment here but only ascertaining whether the German proletariat is in the same critical state.

Germany is the most economically advanced country in Europe. The key branches of industry are organised into cartels and trusts and are ripe for socialisation. The industrial proletariat forms the majority of the people and,

through continuous instruction, it has been schooled in socialist thinking. Now it has tested its strength and its consciousness of its irresistible power has been awakened. Can anyone really doubt that this proletariat in this historical situation can be defeated in an election after the catastrophic collapse of the dominant powers? Only faint-hearted doubters lacking revolutionary confidence in proletarian power and historical necessity can answer this question in the affirmative.

The unlimited maintenance of the dictatorship of the councils means the exclusion of other strata from political co-determination. Can one really believe that these circles would accept that without resistance? The resistance would then have to be violently suppressed and the violence would create new violence. Therefore, says he who demands an unrestricted dictatorship, [we should have] terror and civil war. Not that he wants terror, but the answer to terror is the rebellion of the terrorised. Thus, terror is an iron necessity. By contrast, the democratic decision will be irresistible.

It is the great tragedy of socialism that it has come to power at a moment in which its realisation encounters the greatest difficulties. Socialism means the greatest possible increase of production for the greatest possible satisfaction of all needs. The war had bled the states to death, reduced and impoverished the population, plundered raw materials, and ruined the productive apparatus. Much hard work must be done just to get production going again. Does anyone believe that any of this work can be done when terror rules and civil war stalks the land? No, the socialist interest categorically demands the confirmation of our rule by the majority of the people before which all resistance will collapse. We are convinced that the democratic method, for which we have stood from the beginning, is the necessary one that will lead us to our goal. But, even if we wanted to, could we hinder the convocation of the National Assembly?

The Russian proletariat arrived at the proletarian dictatorship without any transition from Tsarist despotism: apart from the industrial centres, the masses of the Russian people were almost untouched by political movements. In Germany, however, the working masses have been fighting for decades for the achievement of democracy; they are fully convinced that democracy must also bring about the achievement of socialism. It would mean ignoring psychology to think that turning away from democracy would not awaken strong resistance from the working class itself.

Instead of gathering the workers under the victorious red banner, we would split them and reduce our power rather than increasing and concentrating it for the last decisive attack! Due to a lack of confidence in our revolutionary strength, we would destroy our power.

And we would be too weak to prevent the convocation of the National Assembly. We would only push away the doubters and the indifferent and the decision for democracy, for which we could otherwise certainly be confident, would go against us.

But those who concede that a socialist majority in the National Assembly is certain have yet another objection. They are full of mistrust against the Majority Socialists and don't believe that they are committed to socialism. But we think like Marxists; we think about the decisive force of circumstances and not about the good or bad characteristics of individuals! The Majority Socialists resisted revolutionary action until the twelfth hour. At the twelfth hour, however, they had to join it. Why? – Because the proletarian masses forced them. And now one imagines a proletarian majority in the National Assembly, the proletariat at the peak of its power! Yes. Can one really suppose that any workers' representative could dare to evade his proletarian duties? Could such an intention arise at all? That would mean that those in authority would strip themselves of their power, an action that from every perspective is senseless and without purpose.

Finally, one thing may not be overlooked. Germany today is defenceless and without arms. The proclamation of an unlimited dictatorship would only be a signal to the imperialists in the rest of the world to attack revolutionary Germany. But [what about] the proletariat in these countries? Now, democracy in the western countries is so firmly anchored in the people's consciousness that any deviation from democratic methods would not be understood or accepted by the working masses. Proletarian counteraction, difficult anyway in the victorious countries, would be weakened and paralysed.

The German democratic and socialist revolution will complete its march to victory across the world. Germany, torn apart by civil war, would also deliver a serious blow to the cause of the International. It is in the interest of German development undisturbed from the outside and in the interest of the international socialist revolution that we must go down the path of democracy.

However, to favour the National Assembly does not mean to sit on one's hands and vainly wait for things to happen. On the contrary! The slogan now must be to exert as much strength as possible. *The dictatorship of the proletariat and its use is of the greatest necessity in the transition period.*

It must be used to show the classes what the socialists want and what they can do. We demand from our government that it move ahead, that it act, to convince the proletariat that there is no going back, instead, there is only forward movement! Democracy must be so established that a reaction becomes impossible, and the administration may not serve as a hotbed of counterrevolutionary activities. Above all we must demonstrate that we are not only demo-

crats, but that we are also socialists. *The implementation of a series of important measures for the socialist transition* is possible immediately: they must be carried out so that positions can be created that are unassailable in the face of a capitalist counterattack. We are aware that such a process must be based on a careful plan and we are the last who want to bring disorder to production. But these plans are to be created with all speed and their implementation will bear no postponement. The government must put forward a democratic and socialist plan of action that has the power to attract supporters and continues the revolution. *Our actions must be our propaganda.*

If this occurs and we have the necessary time to enlighten the popular masses about our goals, to destroy their incorrect notions and to show the nation that only the socialist social order can heal the wounds caused by the terrible war, then the future is secure, then we can trust the revolutionary proletariat to carry out what this historical hour demands, then what we hoped for and were confident in will be realised: the people are with us and victory is ours!

Rudolf Hilferding, 'Revolutionäres Vertrauen!' (1918) *Die Freiheit*, 1, 6 (18 November).



Clarity! (1918)

What is it all about?

First of all, it is about maintaining the achievements of the revolution.

Much has been achieved. But still many positions of power remain in hands of the old authorities. The working class must be alert, it must not lay down its arms, it must be constantly prepared to respond to every attack and to defend against every assault.

One should not underestimate the danger to the revolution from the old strata that were self-confident and used to wielding power. They are quiet now and claim to stand on the side of the new constitution. But they have taken up this position in order to have their feet firmly planted on ground from which they can fight the new power. They are holding back, because they are waiting for the workers to become exhausted or indifferent, and they remain reserved because they are hoping for the division of the proletariat. But all the workers are united in affirming the achievements of the revolution and will remain so.

Still, the achievements of the revolution can only be maintained – and that is the second thing – through the continuation of the revolution. They ask us where we get the right to pass laws and to reform the administration. Such are the questions from those whose law is the counterrevolution, which had oppressed us for so long. The victorious counterrevolution foisted the Prussian three-class electoral system upon us. It was a breach of the Constitution that Bismarck used to elevate neo-Prussian militarism: the victory of force over France dictated the German ‘Constitution’ through which Prussia dominated the Reich and the Junkers dominated Prussia. And the collapse showed that this system could not survive for a day once [its] authority was dashed to pieces.

Our law?

Ours is the law of the revolution. Every page of history teaches that revolution is a source of legal creativity that forms the basis upon which the new legal system is built.

Just as it has always been, so it is now. Our law is as unquestionable as all previous law and the condition that has created it is called *the dictatorship of the proletariat*.

But does the dictatorship contradict our democratic convictions?

The old, fallen authorities, the enemies of democracy, should keep their mouths shut in that regard. They are no experts. Let them learn!

The socialist revolution in Germany was the revolution of the great majority in the interest of the great majority. The dictatorship is democracy; it is the will of the majority, it is majority rule, and we have no doubt that the National Assembly will confirm it.

But time is needed before the National Assembly meets. The number of voters is estimated at about 40 million. They must be registered. In order to vote, the Reich borders must be set. In order to get the true expression of the national will, there must be time to enlighten the German people about the ways they have been lied to and betrayed, about what has happened, and to let them come to recognise their new tasks.

But we cannot wait.

Waiting means abandoning the field to our opponents, bringing the revolution to a halt, and endangering all that has been achieved.

We must move forward!

First, all positions of power that are still in our enemies’ hands must be purged and taken over by us. The cooperation of the old bureaucracy is indispensable for the technical administration, which must remain undisturbed. But where administration means power it belongs in our hands. The time is now past when the Junker District Magistrate dominated Prussia. We demand that everything be done to make way for democratic self-administration. The

new election of the local government, the autonomy of which must be guaranteed, as well as the renewal of all bodies of self-administration, is a pressing necessity. Not for a moment do we want or need to forgo our right [to rule] in the local municipalities. Our power must be anchored in them, especially in the big cities and industrial centres. Socialist local governments will then be in a position to communalise certain private branches of industry and to transform them into community property.

And, just as it is here, it is important to secure for ourselves all positions of power everywhere in the Reich and in the states in order to make counter-revolution impossible from the outset. It is especially important to make sure that no domestic or foreign representatives of the Reich misuse their positions for counterrevolutionary purposes.

However, continuing the revolution, strengthening workers' power, can only serve to pave the way and prepare for *socialist society*.

Those who think that it is all about ill-prepared experiments or unserious efforts to get people to calm down are wrong. We are firmly convinced that the hour of socialism has arrived, that the thing, for which we have devoted our work, our minds, and our hearts, is about to be realised. In [accordance with] this belief we demand action.

We know that the task is terribly difficult. It is our tragic fate that we have come to power at a moment when the economy is ruined and paralysed by the war. But the difficulties must be overcome. They can be overcome when we move ahead sensibly and energetically. It must be ascertained which branches of industry are ripe for socialisation and the socialisation measures in other areas of the economy must be settled upon. The other branches of production must then resume peacetime work as intensively as possible. We need to restart and intensify the whole economy to resume exports in order to pay for the import of raw materials from abroad and to stabilise our currency. For any further devaluation of the currency will lead to worsening inflation. Yet we need a reduction in prices. Therefore, as much socialisation as possible, a socialisation which, through the socialising of the raw material sectors, will give us a large degree of control over the economy, but security of production in those industries, which, whether it is because of fragmentation or independence from foreign trade, *for the moment*, cannot be considered for socialisation.

Finally, in so far as the government must have means at its disposal to continue its work, these must be requested. The finances should not fall into greater disorder.

We have only named one portion of the most pressing tasks. However the government may no longer shroud itself in silence: it must step up shortly and publicly with a programme of action and with concomitant deeds. That

will dispel the mistrust which still influences many strata of revolutionary fighters.

The question of the National Assembly does not have to bring about our disintegration into excitement and division. It has to be said openly that the point of view of some of the journalistic representations of the *Majority Socialists* has disconcerted us: we miss the insight that it is the socialist task and duty to continue the revolution and to realise socialist principles. We see them again, as in the four bitter years of war, side-by-side with the bourgeois parties. They don't want to see anything other than elections, elections, and more elections. For them there does not seem to be any other work for a socialist government than drawing up the voters' lists.

We have a different opinion.

We also do not want a permanent 'dictatorship' of workers' and soldiers' councils. We believe the convocation of the National Assembly is unavoidable. Our dependence on foreign countries, into which our former rulers brought us via the war, requires it. It is also necessary, because opposition to its convocation would endanger the proletarian united front, which is something very different than the unified front with the Majority Socialists, which makes their position impossible. Constituent Assemblies have already been called throughout south Germany and a large number of workers stand behind this demand. Its rejection would bring disunity to the revolutionary ranks, which can be avoided.

It can be avoided, because the National Assembly, if meanwhile the revolution is continued by the initiative of its leading bodies, won't be an obstacle to socialism *but rather its instrument*.

We do not think it is correct to place bourgeois and socialist democracy in opposition to one another. If the representatives of the working class do their duty, they will carry out democratic and socialist measures. If they act generously, energetically, and boldly, then we don't have to be concerned about the result of a popular referendum; then the least we'll have to worry about is its outcome. If, under the most difficult conditions, powerless and oppressed, we have gathered more than a third of the population under the red flag, then, free and powerful, self-aware and confident of victory, we can win the majority of the German people. It is not about abdicating, about abandoning the dictatorship of the proletariat and delivering power over to the bourgeoisie. On the contrary, it is about one form of the proletarian dictatorship, which is exercised by the councils, being replaced by the other, more secure one confirmed by a popular vote. How can the socialist government, which has the support of the people and its representatives behind it, be anything other than the *dictatorship of the proletariat*?

Therefore, as understandable as the struggle for the National Assembly is from the standpoint of the bourgeoisie, whose last hope lies in the elections, it is not understandable from the socialist point of view. For us the problem today is not the National Assembly, but, instead, *continuing the revolution*.

And there we want to leave no doubts: We Independent Social Democrats insist on this demand with the same determination and steadfastness as we did before in our hostility against the politics of war ... Here there is no room for compromise. Cooperation with the government is only possible on this basis from which we cannot be moved. The moment that we would see that there is no place for this work and that the socialist principles, which alone determine our policies, are being ignored, would mark the end of our cooperation.

However, we trust in the maturity and the insight of the working class, which must understand [the need] to put all of its representatives in the service of the cause. And its cause is now solely *the continuation of the revolution!*

Rudolf Hilferding, 'Klarheit!' (1918), *Die Freiheit* (23 Nov. 1918) Morning ed.



Expand the Council System! (1919)

We have already once pointed out the spontaneous origin of the council system and its international spread. That alone shows that its origin is not the result of artificial influences, but rather that it satisfies a particular organisational need of the proletariat. This was especially strong in the period of great mass actions, particularly in those moments when the other political organisations, the political parties and the trade unions, whether due to weakness or the wrong tactics, did not satisfy this need. The council organisation then emerged as the champion of mass action and was hostile, for a shorter or longer time, to these other organisations.

The council organisation has particular advantages. First, it includes all the workers in the enterprise, but it [also has] a direct connection with the masses. This makes it more radical than the old organisations and enables it to a large extent to be the bearer of mass action. Both [qualities] allow it to seem indispensable in stormy times.

But the system also has its dangers.

The first of these is economic. If the workers' council claims full control of an enterprise, soon it would not limit itself to controlling the plant. At a

minimum there would be the possibility of going a step further and seizing the property of the firm. In Germany one sees the beginnings of this here and there, but in Russia this movement has achieved wide scope. But, thereby we don't arrive at socialism, which means a new organisation of the economy requiring central control. According to the socialist idea, an individual factory does not belong to the workers employed there, but to the whole community. It must secure the decisive right of control over the operation of the enterprise. That includes, of course, the broad participation of the councils, but not their sole dominance.

The rights of the councils must be limited in favour of the whole community, even in the socialised branches of industry. On the other hand, in every enterprise that is still operating capitalistically in the period of transition, the rights of the councils must be legally established in order to prevent the capitalists from limiting them or, conversely, in order to hinder syndicalist experiments, which would ruin the economy. We have already described the ways in which these limitations are to be implemented. The councils must be retained as bearers of social and political tasks, as institutions controlling enterprise operations, and assisting in the carrying out of socialisation.

The political side of the council system was treated more passionately than the economic one.

The separation of the political and economic workers' movement and its organisations was more or less accidental. In England, the trade unions were, in the main, simultaneously also the champions of the political movement. In France the unions were always political, mainly in the syndicalist sense, and were more or less hostile to the party. In Germany the party and unions were, in part due to laws concerning associations, formally the most strongly separate [organisations]. Intellectually, during their good times they were the most strongly unified in their socialist convictions, but at other times they were divided by more or less intense tactical differences.

With the interweaving of economic and political struggles it is in fact not really possible to achieve a legal separation of both organisations without reducing their fighting power. Both movements overlap with one another in the social revolution so that the desire emerges to find a common form of organisation, which becomes a body responsible for both movements.

Hence the slogan of giving political rights to the councils, which then led to the formula: All power to the workers' councils!

We think that this formula is wrong.

It contradicts all the fundamental principles of democracy, because it excludes a part of the people from participation. The exclusion of any part of the population drives it into the most extreme opposition. The denial of demo-

cracy encounters the resistance of all people who hold democratic convictions, including large parts of the working class. The slogan does not unite the proletariat, but instead divides it. The consequence is a struggle within the working class itself, which either paralyses its activity in all areas or will be violently fought out and have to end in the repression of one part of the proletariat by the other.

For Germany, that would mean such a weakening of the proletarian movement that the victory of the bourgeoisie over the proletariat would become a certainty.

The rejection of this formula, however, does not at all mean that the working class can repudiate every political function of its representation. The slogan simply cannot bring about antagonism toward democracy, but must, instead, mark its strengthening and consolidation.

The revolution of 9 November was a socialist revolution. The workers were its agents and the councils were its organisation. The socialist government had expressly affirmed this in the agreement with the Executive Committee of the Councils (Vollzugsrat) on 11 November.

‘Political power lies in the hands of the workers’ and soldiers’ councils of the German Socialist Republic. Their task is to secure and expand the achievements of the revolution and to suppress counter-revolution’.

But since then the government has done everything to allow the achievements of the revolution to decay. It has helped militarism back to power. Now it wants to condemn the workers’ and soldiers’ councils to complete meaninglessness and as rapidly as possible ... *It is also about to ally itself with the bourgeois parties and to form a coalition government in which the bourgeois parties, backed by resurgent militarism, will be in charge.*

Every step taken by this government is a step away from socialism; every act is one aimed against the working class.

Since the working class must be concerned with securing the achievements of the revolution, it must possess means of defence against reactionary attacks. To that end it requires its own political organ since the government, which forgot its socialist duty, has failed so miserably. And this organ can only be a permanent representative of the whole working class. Therefore the councils must retain certain political functions.

We demand that the constitution include provisions that declare:

Delegates of the workers’ councils are to meet once a year in a congress that will elect a central council from among its members.

The central council has the right

- to examine laws proposed in the National Assembly and to comment on them;
- to submit legislative proposals of its own to the National Assembly;
- to submit those of its proposals rejected by the National Assembly for popular referendum carried out by the government.

In addition, it has the right to veto the decisions of the National Assembly and the decrees of the government. As a consequence of this objection, the proposed law must be subject to a popular referendum for a final decision.

These provisions are the minimum that the proletariat requires for its political security against unreliable governments and against a bourgeois National Assembly. At the same time, they are demands that are so clearly in the interest of the whole working class that all workers must unite behind them.

One would spare us from these demands with objections, as if they contradict democracy. But we don't want to dwell on [the fact] that pure democracy, as long as capitalism exists, is not realisable. Economic influence, in all of its forms, works against democracy. By contrast, the constitutionally anchored influence of the working class is only a necessary counterweight against the capitalistic falsification of democracy.

Those who have the least right to refer to democracy are the ones who submit a constitution to us that foresees a two-chambered system with a provisional draft including a House of States, a kind of Federal Council, which favours the most developed parts of the Reich.

In contrast, our demands would mean the securing of democracy because it would make it possible for the most important and most numerous part of the population to submit important questions to a referendum and to defend itself against reactionary attacks.

On the other hand, our demands are necessary and sufficient. They provide the working class with a powerful stimulus to expand its organisation in the council system and to use its political energy to form the central council into an effective instrument against reactionary impulses. The shape of revolutionary development will to a large degree depend on the energy with which the working class makes use of the possibilities embodied in the council system.

Our slogan must not be the council system or democracy, but the council system and democracy.

We harbour no doubt that this slogan will be a rallying cry of the great mass of the workers. We are convinced that the unity of the whole working class, which is the imperative demand of history, can accelerate, and from it we hope

for the reestablishment of the unanimity of the proletariat, which forms the precondition of its victory against all of its opponents.

Rudolf Hilferding, 'Ausbau des Rätesystems' (1919), *Die Freiheit* (5 Feb).



The Socialisation Question (1919)

All socialists are convinced that socialist production is superior to capitalist production firstly because the economy is planned, secondly as a consequence of its high level of technical and scientific organisation, and, finally, because it increases the joy of labour for the workers. If that is the case, then the impoverishment of our economy and the harshness of the [Versailles] peace terms are not reason enough to reject socialisation. On the contrary, it is exactly these conditions that make its realisation necessary, because in the difficult situation we now face, we cannot allow ourselves the luxury of sacrificing a portion of our overall production to capitalist profit. All of our production must belong to the whole community. (Very true!)

While capitalism triumphed in the blind struggle of pure economic laws, socialism will be realised through *social consciousness*. Therefore, we might expect that the transition from capitalism to socialism will be of relatively shorter duration than the transition from feudalism to capitalism. One of the most important measures to shorten the transition period must be, with the aid of legislation, to consciously work toward placing enterprises in syndicates. These measures were already begun during the war and they should not be reversed on the basis of capitalist reasoning.

In the transition period we will have to take into consideration that socialisation cannot be undertaken everywhere at once. In Germany we are dependent on the export sector in which the personal relations and knowledge of the owners continue to be of great importance. But when we have socialised the entire raw material and energy sectors – and that must be undertaken at once and quickly carried out – then that will also simultaneously impact the power of the big banks that depend on these industries. Initially, we won't be able to do without the provision of credit from the banks, but we must control them and concentrate them in a single agency that can then be taken over by society.

It is assumed that the implementation of socialisation in Germany, which is overwhelmingly an industrialised country, will occur without any disturbance in production. We cannot allow any experiments that might be possible in

countries that were less developed industrially, because in Germany that would mean hunger for substantial parts of the population. Socialisation should not result in a reduction in productivity or a reduction of the total amount produced. Therefore, no forces should be excluded that are necessary to the maintenance of production. In other words, we need the factory managers, the sales people, and the technicians. Their cooperation must be secured by their putting themselves in the service of the whole community. On the other hand, in socialism there is no more room for the continuation of the function of capital, of the capitalist as a mere owner of capital, as an exploiter. That will be realised all the more easily because the leadership of the large enterprises is already in the hands of the managers and not the owners.

If we now turn to the question of which sectors should be socialised, it is decisive to consider the class struggle between wage labour and capital. One must ask: what are capital's strongest economic positions? It will be most important to transfer these into the community's possession. This means, above all, the raw materials sector, the energy sector, including coal, iron, and potash mining, large-scale iron, and electricity industries. These are industries that for the most part have a monopolistic character and are, therefore, from a purely economic perspective, ripe for socialisation.

Furthermore, we can socialise the industries that are connected with these branches of industry. Without further ado, we can include their support industries, such as the locomotive factories, because their turnover will depend upon the community's control over the railroads. In addition we can include other industries that have no marketing problems and which have already established their monopoly position within capitalist society. I'm thinking here about the cigarette industry, the nitrogen industry, the spirits industry, and so on.

Other industries that can be considered for socialisation are those branches that deliver products for mass consumption, like the textile and shoe industries. A certain amount of production for the luxury and export sectors can also be allowed. The extent of the industries to be socialised is clearly extraordinarily large and it is precisely those industries that form the backbone of capital.

In addition, a series of finished product industries are ripe for communalisation. One can add either in part or as a whole such industries as insurance and mortgage banking. The latter is particularly important because control over mortgages is essential to the pursuit of a sensible socialist land management policy.

In the sphere of trade one must distinguish between export and domestic marketing. Socialisation of the latter can occur in connection with cooperatives, which must gain the right to market to all consumers, not just to those

who are members. Or it can be carried out through communal sales outlets, as with coal.

If socialisation is implemented on the scale described here, it indicates that society has come to control all the positions that form the basis of economic power, because on the one hand they ensure the domination of the whole of social production, and on the other they are the most important for satisfying basic consumer needs. In contrast, there are other branches of the economy that initially cannot be socialised. In this regard, besides agriculture, which will be discussed outside the framework of this report, we are talking about those branches of industry that, due to their fragmentation and lack of technical and organisational concentration – perhaps due to their production of export or luxury goods – make socialisation difficult. Here we can take measures that will make these branches ripe for socialisation.

Not being able to socialise everything with one blow, but rather organically, in a step-by-step fashion, the problem of compensation [for the owners] of socialised industries also emerges.

For me the question of compensation is not one of principle; it is, rather, a purely pragmatic question. The phrase ‘the expropriators are expropriated’ has retained its validity just like ‘he who does not work shall not eat!’ Compensation would not be necessary, if we were in a situation in which socialising all enterprises at once were possible. But as long as we must leave certain branches of industry, above all the export sector, in private hands, then socialisation without compensation would only lead the owners of the non-socialised branches of industry to strike because they would have no prospect of earning profits and would have to imagine that they would be expropriated without compensation. When I come out in favour of compensation on practical grounds, I do so presupposing certain requirements, above all that of a really *socialist tax policy*. Socialisation is only possible when political power actually is in socialist hands. (Exactly right!) Indeed, then a socialist tax policy is possible that aims to a certain extent to rebalance the differences in wealth and income inherited from capitalist society and to shift the costs of socialisation onto the possessing classes. The costs of compensating the owners of socialised industries should not be borne by the workers, but rather by the capitalist class as a whole via income, inheritance, property taxes, and so on. In principle, every tax is an extraction of wealth, and compensation, combined with socialist tax policy, is not at all different from the expropriation of the expropriators, which is achieved as socialisation is fully implemented.

That’s it for the general aspects of socialisation. It isn’t possible to go into details in the framework of this report and the preceding speaker already discussed them extensively.

The clearer the relations between individual industries, all the more smoothly socialisation can be carried out. It was the task of the Socialisation Commission to create the model. It carried out an extensive investigation of the conditions in the coal mining industry and made its recommendations on the basis of its findings. It is extraordinarily unfortunate that the work of this Socialisation Commission had to be interrupted, that it was forced to resign as a result of systematic opposition on the part of the government bureaucracy. It is absolutely necessary to resume such investigations. But they only make sense if socialisation is really being considered. In that regard I have great doubts and my pessimism is constantly increasing.

On 9 November the outlook for socialisation was extraordinarily favourable. I'm not as optimistic as Umbreit* and don't assert that at the time we had political power. On 9 November the collapse occurred and the working class would have been in a position to seize and hold political power. It is not my task here to explain why that did not happen. But the months of November, December, and January were very favourable psychologically for socialisation, since broad sectors of the capitalist owners expected it and believed that their days were numbered. For example, it was widely believed that the bell now tolled for capitalist enterprises in mining. (Exactly right!) The First Congress of Workers' and Soldiers' Councils voted unanimously to begin the immediate socialisation of coal mining. In the Socialisation Commission one did everything possible to place the government in a position to pass a law. But nothing happened! The plans were shelved. And then, when the miners began a general strike, the government passed a law that Umbreit described today as empty. But that is the only thing that has occurred up to now in the sphere of socialisation. That is all the worse since now the psychological situation has completely turned against socialisation. Today the owners feel as secure as they did before any of the socialisation measures. Today we have to deal with resistance that could have been overcome much more easily at the beginning of the revolution.

But that's not all. It is not just that socialisation has not taken place in the areas ripe for it. Coal mining, for example, is so ripe that more is being done today in England to promote its socialisation than in Germany. It is not just that nothing has happened. What emanates these days from ruling circles reveals that the government has no intention of socialising [anything] in the near future. (Hear! Hear!) I remember the peculiar plans of the Reich Economic Ministry. The 'unified planned economy' (gebundene Planwirtschaft) is only similar

* Paul Umbreit (1868–1932) was a leader of the German Federation of Free Trade Unions and newspaper editor.

to socialism in so far as it is planned. There isn't a trace of socialism in it. On the contrary the whole plan aims to retain the capitalist in all his functions. (Exactly right!) It is the transfer of the 'community of work' (Arbeitsgemeinschaft) directly into the economic sphere. I don't see even a step toward socialism in this plan, but rather an expression of the teaching of harmony between labour and capital and a means of easing capitalism's problems. It aims to create a legal capitalist cartel. This 'unified planned economy' represents a threat to socialisation and must be defeated as it is introduced in precisely those economic spheres most ripe for socialisation. These plans are completely flawed even in the economic sense because favouring private industry in the manner that has been suggested can never lead to the desired success.

In the face of the Reich Economic Department's plans we must stress with all our might that what we want is not the transfer of the community of work into the economic sphere, but rather we want to achieve socialist production. No compromise between capitalism and socialism can be created. And if the government finds no other way out, than that does not speak against socialism but rather against a coalition government. (Exactly right!). The issue will only be decided by the possession of political power. If the German proletariat had really conquered political power on 9 November, then socialisation would no longer be an issue. (Applause.) The fact is that the process of revolution had only just begun on 9 November. If our economic life now shows signs of damage, one should not always regard these as 'disturbing public peace and order'. If now many new groups are being drawn into economic struggles that don't unfold in accordance with trade union principles, then one should not underestimate the progress inherent in [the fact] that so many new groups have joined the ranks of the fighting proletariat. (Applause.) All our struggles since 9 November are falsified in so far as the proletariat no longer stands in a united front as a class but is, instead, divided by an internal split.

The struggle for the unity of the proletariat that is now being fought out in troublesome forms is an unavoidable process. It has become necessary, because what the revolution has made plain is that substantial parts of the proletariat remain under the influence of too many bourgeois ideologies and because, unfortunately, these bourgeois ideologies were supported during the war by official Socialist policy. (Exactly right!) The experiences of recent months show that we can't allow ourselves to be led by catch phrases. (Very true!) On the contrary, we must bring all socialist means to bear until all positions of political power are in proletarian hands. (Applause.) When we lead this struggle it is not about the achievement of immediate material advantages for the working class. It is a *fight for power*, which does not necessarily need to be bound to the momentary improvement of the working class's lot. We say that openly and

that is precisely a reason for the proletariat to allow us the necessary period of transition. We can carry out socialist construction organically.

But we also tell that to the working class for another reason. We don't want socialism to be nothing but a knife and fork issue for our working class. We know that all great ideas arise in class struggle and that they emerge from the economic conditions of society. Therefore the individual who wants to do something great may not allow himself to be led by his individual interest but must be fulfilled by the idea in its entirety and totality. Because nothing great gets done without inspiration and one can't be inspired if the issue is simply about whether wages should amount to 15 or 18 marks. One can only be inspired when one is aware that one is an *historical instrument* and lives in an *historical moment*, in which, as Friedrich Engels called it, the leap from the realm of necessity into the realm of freedom occurs. From the realm of necessity – in which we were all slaves to petty material concerns; in which a great part of the people had to ask themselves every day: Will I have work tomorrow? Will I have something to eat? Will I find an apartment? and so on – the realm of freedom should be created in which these questions retreat into the background; in which humans can finally live according to their own desires; in which they don't have to worry about the petty concerns of the day but can participate in the further development of culture; and in which they will be in a position to share in the general improvement of the whole society and to enjoy its cultural goods.

Party comrades! Only when we conceive of socialism, which emerged from the economic conditions of the working class, from its poverty, and from its toil and want, as something that is not only a material issue but as this grand idea, only then will we be able to complete the work, only then will we be able to actually liberate this society, a society which will be illuminated by science, beautified by art, and ennobled by the ethics of solidarity which only will be established in this society! (Stormy applause.)

Rudolf Hilferding, *Zur Sozialisierungsfrage. Referat auf dem 10. Deutschen Gewerkschaftskongress vom 30. Jun ibis 5. Juli zu Nürnberg* (Berlin, 1919).



Political and Economic Power Relations and Socialisation (1920)

Esteemed comrades! If I'm going to talk about the distribution of economic and political power, then I first have to briefly put a spotlight on the development

that the German workers' movement, viewed as a whole, has experienced since 9 November.

On the 9 November we had the complete collapse of the old system and the taking of full power by the German working class. Today we are facing a bourgeois government and we see the reconsolidation of bourgeois domination.

If we ask ourselves, how did it come to this, then we have to say some things that perhaps will not be very comforting to hear. We have to do it, however, in order to be equipped for the future, which will pit us against very difficult and decisive problems. Of course, I will not go into detailed political analysis and I will not attack this or that individual leader. I see the deeper cause of the development in the fact that the collapse caught the German working class at a moment in which it was fully unprepared to take power. It was *materially* unprepared because the war had weakened the economic power of the working class and the imposition of marshal law during wartime robbed the workers' organisations of their independence. And, therefore, it was *intellectually* unprepared because during the prosperous pre-war period, the workers' movement in Germany, as in Western Europe, had been strongly inclined toward a purely reformist politics of social change. The extraordinarily strong period of capitalist prosperity after 1895 had brought about the gradual, but noticeable, improvement in the living conditions of broad strata of the working class and led workers to focus their struggle mainly on the steady improvement of their personal living standards. The actual socialist and revolutionary goal moved into the background. That is a development the full extent of which many of us only became aware of after the outbreak of the war, in the period in which the workers' movement, under the pressure of events, for a time in large measure had forfeited its intellectual sovereignty. The collapse caught the workers' movement at precisely that moment in which its emancipation from old ways of thinking and old methods of struggle had not yet occurred. The working class did not grasp how to wield political power in the energetic ways that would have been required.

On 9 November we alone held political power. However, a large part of the working class adopted the view that this power, which we alone possessed, could not be exercised alone and, in a practical sense, [it] continued the coalition with the bourgeois parties begun during the war. Naturally, under these circumstances the economic policy of the working class failed. Whereas to consolidate its political power would have required taking possession of capital's key positions of economic power by immediately beginning the socialisation of the most important industries, this central problem of proletarian power was pushed into the background and the decisive steps were neglected. This was not only the fault of individual leaders, and I stress this again and again, but

above all occurred because, to the working class, socialism was still an ideal that was too distant and because it initially sought to exercise revolutionary power, which it alone possessed, in ways that achieved an immediate improvement in its material existence. Of course that is not a reproach. Nothing is more understandable than that, following the end of the war, after the working class's long suppression, the workers would think of improving their depressed living standards above all else.

But it must be established that in doing so it strove for improvement within capitalist society via wage increases and strike movements. As a result, the revolution came in danger of being dissolved into a movement for wages, which reduced the concentration of revolutionary force in the transformation of the social system itself. And so it was that, in this first period of revolution, socialisation itself made no progress. Those politicians within the working class who stuck with the coalition with the bourgeois parties explained to us that, at the moment, socialism could not be implemented. 'Debts cannot be socialised'. Others objected in vain that that was a total underestimation of the problem. It is not about socialising a supposedly bankrupt economy, but rather, after the collapse of the capitalist economy, it is a matter of using political power to connect Germany's available and, at that time, essentially still intact apparatus of production with the living labour power of the German working class and thereby empowering it economically. That did not happen; instead new struggles broke out within the working class, which you all remember and about which I need not speak here. But we must be clear, this struggle within the working class was not about concrete political problems and not about really expanding economic power, but it occurred in part as a result of a different, formulaic conception of political development. These struggles paralysed the power of the proletariat in this decisive period and led to the reestablishment of bourgeois domination. These struggles within the working class have laid the groundwork for the political defeat that today excludes the proletariat from power.

The picture is even worse when we look at economic development. Wissell* has provided you with a picture of Germany's general economic situation. I have the task of briefly outlining how, within [the context] of general misery, the economic class position of the proletariat relates to that of capital.

* Rudolf Wissell (1869–1962) was a leading Social Democratic Party politician and top official in the Federation of Trade Unions. In December of 1918 he was appointed a member of the Council of People's Commissars after the Independent Socialists quit the government. He later served in the Reichstag and as Minister of Economic and Minister of Labour in different Weimar governments.

In the first period, in the first months of the revolution, it was possible to discern an improvement in the condition of the working class. Working hours were reduced and wages rose. But this movement did not last long. Even before the war, Germany was a low-wage country. Today we can state that the German working class is the worst paid in the world, when compared with all other industrially developed countries. This economic decline was basically caused by the development of our monetary situation, by so-called inflation. At the beginning of the revolution a portion of working-class politicians, in order to cover the expenditures brought about by the loss of the war, demanded the immediate creation of tax laws that, without waiting for the convocation of the National Assembly, would be imposed as income, wealth, and inheritance taxes. Nothing happened and it took much too long until, after a year and a half, the National Assembly finally passed the most important tax laws. It has taken until today for the property tax actually to be raised. (Very true!) You all know that, of the direct taxes, essentially only ten to fifteen percent of earnings from labour are taxed, while a larger part of the other taxes has not yet been levied. The government has managed its household in such a way that it has emitted ever more currency. From four billion marks in circulation at the beginning of the war, taking gold and currency together, today we have reached the level of seventy-two billion paper marks. That means that billions of bank notes are put into circulation every month. In normal times bank notes are only issued against bills of exchange, in other words, against notes proving that, with the issuance of this money a new commodity already was produced. As a result of that, notes were only issued to the same scale as production actually grew. Today notes are issued without new commodities being produced. On the contrary, the supply of goods has drastically contracted. The government issues currency without having raised taxes in advance. It no longer pays for its massively growing outlays with taxes transferred to it from social, non-proletarian income, but rather by printing money. But, if billions in new notes are put into circulation every month, it means that billions in new buying power are created and leads to the additional consequence of constantly rising prices. It is an illusion to believe that a substantial reduction of prices is possible before the printing presses are stopped and before the issuance of new money is halted. Only then will the problem of falling prices even begin to be addressed.

Commodity prices, therefore, have risen as a consequence of the increase in the amount of currency; equally important is that the buying power of money has fallen extraordinarily. It must be asserted that the German workers' movement and its trade unions were not strong enough to increase wages at anything like an equal pace with the rapid price development. According to

official statistics, from the outbreak of the war until February 1920 prices rose in the following ways if one equates the prices at the beginning of the war with 100: the costs of food in Berlin in February 1920 amounted to 800 to 900 marks versus 100 at the outset of the war. Of this increase, only rents, which only rose to 120, are excluded. Other prices evolved as follows: cotton fabric rose from 100 to 5000, coal from 100 to 1035, steel blocks to 2620. In the face of these prices wages increased after the outbreak of the war to 570. 570 in wages [when] 900 [is needed] to meet nutritional needs, the bare nutritional minimum, never mind the colossal increase in the cost of shoes, textiles, and all the other things one needs to live. That means an impoverishment of the working class, an absolute worsening of its living standard. At the same time it means the *final cause of the crisis*, of the German crisis, which has its own particular forms and its own particular content and is rooted in the fact that the buying power of the broad working masses lags behind price increases in such a way that commodities hardly turn over today. At a time when there is the strongest need for all goods, production is limited, unemployment rises, income falls, and the crisis intensifies anew.

While we have seen that wages have lagged far behind prices, it must also be said that a large part of the working class no longer even receives wages, because part of the working class is unemployed, while the other part only has three days of work per week. The actual reduction in working-class income is significantly larger than the figures mentioned allow one to surmise, and that at a time when wages of other industrial states are far higher than in Germany. Wissell has already discussed that. I read recently that the bulk of the unskilled English transport workers have won a minimum wage of sixteen schillings or 160 marks per day. For workers in the paper industry, machinists, and stokers, weekly income in England oscillates between 600 and 800 marks and is, therefore, many times the German wage. French reports are the same. Wages there are six or seven times higher than German ones and, if you also consider carefully the difference in food costs in Germany and abroad, the result does not change. We earn only a fraction of what one today calls the world market wage. One is not saying too much when one asserts that, after a brief improvement, the period after the outbreak of the revolution was a period of growing impoverishment for the German working class.

What are things like on the other side with the capitalist class? No doubt, many layers of those who earlier regarded themselves as part of the possessing class, some strata of the highly trained workers, officials of the so-called middle class, and people living on annuities, have to a large degree been proletarianised by the war and subsequent developments. But the capitalist class

as such has not lost its economic power in any substantial way from this development. The same development, which has depressed wages ever further, has, on the other hand, increased profits steadily. If one reads the contracts of some branches of industry in the period of 1919–20, one is astounded, even when one is an economic expert, at the enormous profits. As much as the books are cooked by extraordinary deductions, by drawing on reserves, and other methods, it is repeatedly confirmed that profit rates of 100 or 120 percent are not at all rare in German industry. At the same time an extraordinary *internal consolidation of capitalism* has occurred. Capitalism, as it emerged from the war and the revolution, is more concentrated, conglomerated, and more unified than ever before. Reminding one of American conditions, a development had set in during the war in which, to an ever-larger degree, large anonymous companies, corporations, or large banks, no longer command these masses of capital, but rather big capitalist magnates have asserted their increasingly pronounced dominion. The number of individual people in the capitalist class may have grown smaller, but the power of this class has experienced no meaningful decline through this entire development. We must be clear about these relations because, if we recognise the whole unvarnished truth, then the tasks that we have to fulfil will become clear.

That is enough about the development of power relations among the classes. Now a few sidelights about the economic situation in so far as it is connected directly with our theme of socialisation. I've already pointed to the colossal inflation, the advancing devaluation of the currency, which is caused primarily by the *disorder in our government budget*. Just a few statistics shed light on this situation. 1919 ended with a deficit of sixty-to-seventy billion. 1920 produced a so-called sound budget with expenditures of 40 billion marks matched by an income of the same amount. Certainly no one is in a position to say how it really turned out. But assume the 40-billion-mark budget was balanced. Next to it, however, is an extraordinary budget with a deficit of no less than 49 billion marks. And then there is still an additional deficit of 18.5 billion marks, the deficit of Reich enterprises such as the railroad and the post office, so that in 1920 one can expect to tally up a deficit of over 67 billion marks. You will understand that under these circumstances the total debt has risen to about 286 billion marks, that next to these 286 billion marks an additional 131 billion is being sought in order to cover the costs of reparations to Germans living abroad, etc., and next to these 400 billion marks additional billions are being sought to compensate the Entente.

Our state economy is in complete disarray. Now, the connection between the state economy and the broader economy is not constructed in such a way that the collapse of the former must mean the collapse of the latter, but

nevertheless the interconnections between the state economy and the broader economy are so close that we are suffering most terribly from the economy of worsening deficits. Wissell has already correctly pointed out how the advancing devaluation of money makes it increasingly difficult to cover our need for industrial raw materials and for foodstuffs and provides us with no way out of this catastrophic cycle. Therefore, we must make clear that the methods of bourgeois tax and economic policy are not able to get us out of the woods without driving the masses into ever deeper poverty and without demanding ever greater sacrifices from workers.

Our economy can only recover through an increase in production. But ... the conditions within the capitalist economy which capitalism encountered after the collapse did not lead to increased production, but, instead, to the production of an enormous crisis, not to an expansion, but to a decrease in production, not to more work, but to unemployment. We will emerge from this mass impoverishment, from this feverish cycle, which only leads to new crises, only when we seek to achieve an increase in production through a complete *systemic change of the economy*. This entails creating an economy no longer dependent on the private will of individuals and on increasing profits, the dominant motive in today's economy, and instead creating a planned and centrally organised economy to meet the basic needs of all members of society. That means replacing the capitalist economy with a *socialist* one.

What do we mean by socialist economy? We understand that not to mean a capitalist economy perhaps robbed of its nastiest effects by means of some regulations. Comrades, we have to understand this problem clearly, because we are in danger of making our future struggle harder if we don't come to an agreement about what the goal of our next struggle has to be. As a result of its immanent, internal laws, capitalist development has led to ever increasing organisation of production; capitalist competition has led to the victory of large industrial enterprises over small ones; production in the main branches of industry is essentially concentrated in a number of large firms; and production in small enterprises no longer plays a decisive role. That was the first step on the ladder. On the second step, the big businesses have come to an understanding about limiting and excluding competition for the construction of monopolies [organised] in cartels and trusts. In turn, the cartels and trusts have brought about a new, stronger, concentration of capitals within their organisations. On the third step of the ladder we have an increasingly stronger connection of the large monopolised industries, organised into cartels and trusts, with the big banks, with finance capital. It was already the case before the war that the most important branches of the German economy were controlled by the big German banks, which had accumulated for themselves the available capital of

the whole capitalist society and placed it at the disposal of the most important branches of industry.

These organisational tendencies within capitalism can doubtless still be extraordinarily extended. But the issue on which we are focusing, which has to be answered by the working class, is not about an organised economy in a general sense, but it is a question of whether this economy should be capitalistically or democratic socialistically organised. One could imagine that with the continuance of these organisational tendencies, capitalism, too, would further limit competition, reduce the anarchy of production, and reduce unemployment gradually using various methods so that the workers would find themselves in the position of lower officials [subordinate] to the great directors and leaders of production. That would be a type of organised, hierarchically structured capitalism. We as the working class have to decide whether we would be satisfied with such an organisation of production or whether we should and must demand instead that this organisation of production be used by the great masses of really productive workers of hand and brain, exploited not in the interests of the capitalist magnates, but rather in the interests of the whole society of equal citizens. If the latter demand is the working-class choice, then socialism cannot mean working together with the capitalists in any form of common organisation, but it can only mean the *exclusion of the capitalists from production*, the exclusion of the capitalists as owners. In my opinion it is possible in some measure to support and to accelerate the organisational tendencies described above from the top through institutions in which we work together with the capitalists. Attractive as it sounds, I don't know whether that can be a primary task of the working class today.

I doubt that because we only have to observe that the pressure of the situation is forcing capital toward ever-greater concentration anyway and, as a consequence, gradually to eliminate superfluous costs of production, the production of backward plants, and the use of obsolete organisational methods. But, however that might be, we dare not deceive ourselves that all such forms of organisation with capital are not socialist and cannot move the working class forward for two reasons: The first reason is economic. It is utopian to believe that we can, indeed, retain capitalism and the capitalists as the directors of production on the one hand, but that we would, on the other, be in a position to eliminate the laws of capitalist pricing by decrees from above or through some organisation. As long as socialism has not been established in the entire world, as long as the German economy remains in the gears of the world economy, the laws of capitalist pricing will remain in effect, and it is utopian – and dangerous, because it leads down the wrong road – to believe that one can transcend the laws of capitalist pricing for any individual industry or single area by

organisational means. What we can transcend is the capitalist control over production and profits. We can do that by excluding the capitalists and socialising the means of production. But we cannot eliminate the law of capitalist pricing for an individual branch of production. – Secondly: These capitalist laws of pricing are not arbitrary. Within a capitalist society, prices are determined by how [goods] are produced, on what scale, whether a branch of production will be increased or reduced, which goods are produced, what production scaled back, and so on. Proportionality within a capitalist economy depends on the formation of prices. This proportionality is repeatedly disturbed by periodic crises. But within the capitalist society there is no other possibility for creating proportionality than the one dominated by the laws of pricing. When, by annulling the law of pricing for an individual branch of production, you attempt to make one product cheaper and the other more expensive, that might, in a single branch of the economy, initially be entirely reasonable from the perspective of the consumers or the producers – so, for example, when you keep the price of coal low. But one forgets that that can have very far-reaching economic effects which one cannot control at all within capitalism. Because by influencing the individual laws of pricing, you don't have the control over production that you would have if you really transformed the branch along socialist lines. If you make coal very inexpensive that might be very useful for the consumers of coal in heating a home and it might also be useful for the production of agricultural machinery, but then you also make the coal cheap for a whole series of luxury industries. If you think that you can carry forward [the degree of] organisation within capitalism so far that you can organise the entire economy according to a plan, then you will get such a monstrous bureaucratic apparatus, such a burden on production, that productivity will not be increased but instead will fall. In terms of the national economy it is a fundamentally rational idea to replace the capitalist system of production and distribution with a socialist one. But in my opinion it is not possible to want to maintain capitalism and to annul the laws that emanate from it through legal decrees or through the decrees of so-called self-governing bodies. (Very true!) That is the national economic reason.

And now on to power political or the social political [matters]. All these self-governing bodies rest on the principle of parity. This principle reminds me of the comment by Lassalle on the working-class' damned lack of needs. (Sehr gut!) At the time, Lassalle meant that in a material sense, but it is valid also in the intellectual realm. What does parity mean? Where is it written that an entrepreneur, who employs 1,000 workers, should have the same influence as the 1,000 workers? (Sehr gut!) Where is it written that a small number of capitalist magnates should share the control over production equally with the enormous mass of the producers? That is the sense of parity. Yet, the reality of

this parity is much worse. On the one hand we have a unified capitalist front. The interest of the capitalists is completely unambiguous, it is a clear interest in domination, and we can see time and again with all the self-governing bodies, which are based on so-called parity, how this unified capitalist front is actually maintained. On the other hand, the workers' front is repeatedly breached. In the face of capitalist interests we do not have a unified socialist workers' interest. Next to the free trade unions we have the Hirsch-Duncker and the Christian trade unions, which don't make common cause with their socialist worker comrades on very important and decisive questions of principle and often lean in favour of capital. Next to them we also have other organisations, which do not possess a clear and secure socialist class-consciousness. Parity means in reality a capitalist majority in all these organisations and, as a result, all these organisations symbolise in reality a consolidation of capital's dominant position, not a weakening of it. (Exactly right!) When we talk about socialism, for us that excludes all these various forms of planned economy, of partial socialisation. By socialism, we understand only such an organisation of the economy in which the capitalists as such are eliminated.

With this assumption in mind we now want to turn to the question: *which conditions will socialisation have to fulfil?* I thought it would be superfluous to say here that the question of socialism is a question of power. I would like to say that even the best-educated socialist scholars don't harbour a moment's doubt [about that]. Socialism is a question of power. (Very true!) But this power is to be understood in two respects and that, too, is not an issue for the scholars. It is, firstly, a question of power between the working class and the capitalist class and, secondly, [it is] a question of what means of economic power, what economic base, what sources of economic energy will socialism – or the working class – dispose over at the moment in which it comes to power. When the working class comes to power in an agrarian country, in its own interest, and the peasantry supports the working class in its seizure of power, then under the circumstances it might mean that for this working class – I don't want to go into details here – the questions of socialism and of socialisation are relatively simple and it can choose the tempo and the methods of socialisation. For Germany and for all of Western Europe there is no doubt that socialisation must fulfil the condition of maintaining production. Before the war we imported commodities from abroad worth eleven billion gold marks and we had to pay for these goods essentially with other commodities. Today we are more reliant than ever [on exports] to import our industrial raw materials, our food products, feed for cattle, and so on from abroad. We can only receive these industrial raw materials when we pay for them with commodities and our production may not be appreciably reduced through

socialisation. And another thing: if exchange between town and country is to proceed, without which our cities with millions of people could not survive for a day, then the farmer has to be certain of receiving something real in exchange for his grains, cattle, and so on. Perhaps it was possible for a while to pay the peasants in Russia for their grain with depreciated paper roubles. Today things in Russia are coming to a standstill. In Germany, where the peasantry has a very clear economic understanding, it is certain that it would immediately halt deliveries and would drastically reduce production if we had nothing to give it except devalued paper money. We must pay in goods, and for that reason socialisation in the Western European countries must fulfil the condition that continued production is not appreciably disturbed. We must, therefore, select those methods and that tempo of socialisation that conform to this basic requirement.

Of course, standing in close connection to this [issue] is that our methods of socialisation must be such that they lead to an *increase of production*. Recently, some communists have often said: socialisation means the same as reducing production and increasing poverty. It is preached to us that we should tell the workers that they must first go through an ocean of suffering before we can create a really socialist society. Comrades, down the road nobody will be able to accuse me of being a demagogue or an apologist. I have said from the beginning that socialism makes very high intellectual and moral demands on the working class. Whoever once spent time in a rolling mill and just watched as the heavy, glowing blocks of iron are drawn through the rollers, as the workers must grab this glowing thing with tongs and slide it out; whoever has observed what an enormous effort that takes, or if someone stood next to a blast furnace, when a hole is punched through and the sizzling spray comes out, and saw how much the workers suffer in the heat and under the burden of this heavy labour, only then does one get a feeling for what it means when we talk to the workers and demand: you have conquered political power and you are changing from being an object of legislation into its creator but, nevertheless, you may not think of yourselves as lords who don't have to worry or don't have to work. You are the lords over this work, but the work remains and you must continue this very difficult labour process or we are all lost. And it is also clear that even when we have such great admiration for the stoicism, for the patience, with which the Russian working class bears its poverty, we must be very clear to ourselves that the great mass of western European workers, who earlier were used to a much higher standard of living, simply does not want to bear this impoverishment and that against the resistance of this class socialist power would have to collapse. We have to socialise in a form that brings no decrease, but rather an increase, in production. (Very true!) I am convinced, however,

that a method of socialisation arising organically can bring about this increase. It can do so because the working class's interest in work becomes something else. In very many respects, capitalist production is an extraordinarily wasteful [form] of organisation; it has serious organisational shortcomings. But in no other way is it more wasteful than with human labour power. One has said that slave labour is the worst labour. But wage labour remains closely related to slave labour in a psychological sense. Here, too, the worker's animated interest in his work is absent; here, too, the inner connection, which the worker must have in the success of his labour, is missing. One cannot create the interest of the worker in the prosperity of the firm or the connection of the worker to his labour within the capitalist enterprise. One can only create that when the worker knows that this firm belongs to him as a member of a socialist society and that everything that he does in the final analysis benefits him as a member of this society. Next to improvement in organisation, I expect that greater interest among the workers will lead to a significant intensification of work and, as a result, a rise in productivity.

Moreover we must understand that we can only carry out socialisation with the help of skilled workers, of lead workers, organisers, and technicians. I regard it as one of the most valuable results of Western European social development that we have succeeded in attracting these highly skilled workers, engineers, and leading sales people to the trade union and socialist movements in ever increasing numbers. That is a hope that promises a great deal, because a whole series of those difficulties can then be overcome, which have placed almost insurmountable limitations on the Russian proletariat's socialisation efforts. For us it is vital for the relations between hand and brain workers to grow ever closer, for the relations between the large trade union organisations of these two groups to grow increasingly more cooperative, for them to become ever more aware, that when they work together the world can really belong to them because no other power can stand against this bond of hand and brain work.

When we ask about the *form of socialisation*, then we will initially answer that we don't think of socialisation as the fiscalisation, as the bureaucratisation, of production. We reject bureaucratisation and want to be sure that the industries of the socialised branches of the economy are administered by self-governing bodies, by industrial parliaments, but not like the current type of self-governing bodies with proportional representation, but by parliaments in which only those can speak or vote who have something directly to do with industry, meaning the leading forces of industry, the salaried employees, the workers, and then the consumers of the industry in question and, next to them, the representatives of the general interest, who will be appointed by the central economic authority. These individual parliaments of industry should be organ-

ised into a supreme economic parliament, which can then establish guidelines for the whole of production. We expect that competition in an industry organised in this way will not die out. In recent times this issue of competition, of the initiative of the entrepreneur, has been enormously misused. It is presented as if every capitalist is completely indispensable to production and that, if we were to eliminate any capitalist, production would collapse. That is subjectively and objectively false. Objectively, because the whole of industrial development is not the work of individual capitalists or individual technicians, but on the contrary because the enormous increase of production was brought about by those changes in production techniques which have occurred as the corporate division of labour, manufacturing, and the modern factory gradually evolved from the individual workshop. Since work was no longer individualised but was increasingly a social labour process, those problems developed that employed the technician and enabled him to make all the discoveries that were decisive for the increase in production. [Under socialism], the social nature of the labour process is retained, but the interest of every worker in the best possible arrangement of this social labour process is increased enormously, because the discoveries, the progress which he makes, benefit him directly, since he no longer needs to fear that any improvement in the labour process that he brings about, any achievement that he prepares and which leads to the intensification of work, will be taken away from him and appropriated by the capitalist as surplus value. The objective conditions for the development of technique in a socialist society are better than those in a capitalist one.

But is it then *subjectively* the case that it is the entrepreneurs who today really develop the great initiative that drive production forward? We know, when we look at the large, most concentrated branches of industry, that there is occasionally a big capitalist who also develops a big initiative. But these entrepreneurial personalities, who are simultaneously owners of capital and initiators, are relatively rare. I am familiar with a whole three or four people of this type in the German coal industry. But they are mostly men who, in the competitive struggle, undertake these initiatives in the sphere of sales. A socialist society requires other abilities, especially technical ones, and in the capitalist firm today the technical leaders of production largely are employees earning wages. The wages may be very high and in a socialist society in the transition period we have no reason to reduce them. Socialism does not at all mean some kind of mechanical equality. Socialism means only the equality of the starting point. It means only that each receives in the same way from society the ability to develop his talents and characteristics as fully as possible. Therefore, socialism means equality of starting point but not the equality of income or complete levelling. In the transition period, where we still have

to reckon with capitalist psychology, under German conditions there will be no difficulty in winning over and holding onto suitable leaders in socialist production using the attraction of higher wages. These technical leaders, who today for the most part are salaried employees, will be just as available in a socialised industry as they are in a capitalist one.

But competition will be maintained within socialised industry in the most varied ways. If you imagine today a socialised coal industry, then it is very clear that this socialised industry would move to the centre of public criticism, that friends and enemies would be continuously busy with it, that its performance would be constantly checked and subject to uninterrupted criticism, and that in this way it would be ensured that no bureaucratisation set in. We don't have to imagine that in this socialised industry there is only one leadership. There are a number of factories whose results one will compare. One will see that this plant functions better, the other worse. One would investigate the causes, pay the effective leaders with bonuses and higher income, and eventually remove the lousy ones. So, industrial competition also continues within socialised industry and will fulfil the same tasks, which one wrongly ascribes only to capitalist competition.

If, following this investigation of the conditions and the form of socialisation, we, very briefly, because it has already been discussed often, turn our attention to the question of *socialisation's content*, then I repeat that the decisive standpoint is that socialism is a question of power and that, therefore, the primary goal of our struggle must be to take possession of the previously capitalist positions of power and to place them at the disposal of society. We are talking initially about the socialisation of the most important raw materials, hence mining, coal, and potash. We are talking about the socialisation of energy production, such as electricity and waterpower. With the close tie that exists today between coal and the big iron industries, [we are talking] about the socialisation of the large-scale iron industry. If we have these key industries in our hands, then we have control over the entire remaining processing industry. Then, by distributing the coal, using a specific coal policy, through the distribution of electricity, through the distribution of iron products, we can control the remaining industries. [We can] under certain circumstances reduce their profits and thereby make sure that in the transition period, too, as long as there is still capitalist production, capitalists' profits don't rise higher than the wages of lead and supervisory personnel. And then we would have the politics of production to a large degree completely under our control and could pursue a policy of economic leadership in the interest of meeting basic needs. In the agrarian sphere the same position of power means disposing over large estates and forests. The socialisation of the large estates and the forests is a demand

that must be fulfilled in the power political interests of a socialist society, totally apart from the fact that we stand by the principle that under German and West European conditions the destruction of the large estates would be a technical step backward (Very true!) and therefore should be rejected. We don't want to expropriate peasants; we want to win them to our side through a particular agrarian policy, through the support of cooperatives and so on, or at least to neutralise them. But we don't want any backward steps in agricultural production, which is what the destruction of the large estates, recently recommended to us, would mean.

The branches of industry just mentioned are not only those that, from the standpoint of the power politics of a socialist society, initially come under consideration, but they are simultaneously those in which the tendency of economic concentration had reached its high point and where the technical and economic preconditions for socialism were first established. But when we mark out the extent of socialisation, then it has certainly not reached its limits in the industries we have discussed. There is a whole series of consumer goods industries that come into consideration for socialisation, because a socialist society must be placed in a situation as quickly as possible to meet the average consumer goods requirements of the mass of its members. It is entirely possible that the shoe and textile industries, in so far as they meet the requirements of domestic demand, can be concentrated in a series of technically efficient enterprises and placed under socialist control and organisation. That is decisive because employment in these branches of industry would, at the same time, absorb a large number of the unemployed. In addition, those are precisely the branches of industry that are fractured today, where the costs of competition, advertising costs, in short all the expenses of capitalist production play a great role. They are, therefore, also where great savings could be achieved through concentration and organisation, through the simplification of marketing, and through the socialisation of marketing.

One industry is especially decisive here: construction. If there is proof of the inefficiency of today's organisation of the economy then it is in the sadly scandalous condition of the building industry. We have colossal need for housing and, along with that, massive unemployment of construction workers. We have a terrible economic crisis and we know that any stimulation of construction would also stimulate larger important industries in turn. Nevertheless practically nothing has occurred in the construction sector. Here is an area in which the proletariat, when it comes to power, could and must take immediate decisive action. We need the *communalisation of urban land*. We need an energetic communal *housing policy*, a policy of communal housing construction. But this communal policy must be based upon the *socialisation of the construction*

materials industry. If today we were to place large subsidies at the disposal of the construction industry using state or communal means, the immediate result would be a rise in the cost of land and of housing construction. The price of cement would skyrocket, all construction materials would get more expensive because production would lag behind demand and, as a result, the capitalists in businesses serving housing construction and furnishing would absorb the subsidies. If today we want to have a rational housing policy, then it is only possible through socialisation. On the one hand the communalisation of urban land and on the other the socialisation of the cement industry, in particular, and the other industries supplying construction materials. It is very interesting that the *trade union for construction workers* has come to very similar recommendations. It is paving the way for acts of socialisation and organisation so that finally a step forward can be made in this sphere, although I cannot identify all the details of these recommendations.

With that we come to an area of greatest importance for our conference. You all have read that a great decision will soon be reached on the question of socialisation. This week the Reich Economic Council will deal with the recommendations on mining made by the Socialisation Commission. Two recommendations have been presented and both received the same number of votes. That is not important for the problem itself. In the Socialisation Commission only opinions were presented; the body has no executive, it is a commission for study. Still, I am of the old-fashioned opinion that studies are not harmful. If one reads some recent polemics, one might think that the thorough pursuit of the possibilities for socialisation in individual industries, which is the task of the Socialisation Commission, would be beneath the dignity of a socialist. (Very good!) I don't share this opinion. On the contrary, I think that it is precisely the individual studies that provide extraordinarily valuable material for understanding and propagating a really socialist outlook. (Very true!) Thus, the Socialisation Commission provided two reports.

One recommendation calls for full socialisation of mining. It demands that the capitalist as such disappears from coal mining and the direction of coal mining be transferred to a coal parliament in which enterprise directors, workers, employees, consumers, and representatives of the general interest are present. This coal parliament elects from its members a five-member directory. This directory is the real executive with the duty of exercising the coal parliament's control over the administration. In agreement with the enterprise, colliery, and district councils, which are all planned, it determines the amount of output and the expansion of production through the sinking of new shafts, etc. The coal parliament sets the general coal policy. A system of councils, of workers' councils, which starts in the individual mines and moves upward to

the district level, ensures that the workers can exercise effective control over production to the greatest degree possible.

There is a second recommendation which is opposed to that of full socialisation. This one also gives the supreme direction to a Coal Council but is fundamentally different than the first recommendation because the entrepreneur, the *capitalist as such*, is retained. Capitalists and workers in coal mining are represented proportionately in the Coal Council along with consumer representatives and representatives of the general interest. The Coal Council takes over coal production and accounts for its own costs. As the other recommendation also suggests, bonuses are paid to workers and employees out of profits. Moreover, the interest paid on capital invested in the coalmines is also paid, as are bonuses to capitalists according to the performance of the enterprise and according to whether the firm's performance had resulted in a reduction in costs or an increase in production. The second recommendation foresees that reserve funds are created from profits in coal production, and that from these reserves an amount is set aside so that, according to the law, after a certain amount of time has passed ownership of the firms could be transferred to the Coal Council, in other words, to the community.

From the first, the Socialisation Commission's two recommendations were in opposition to one another. I think it is superfluous to speak here at length about the recommendation for full socialisation. To me it appears to be nothing short of a *minimum demand*. Later on I'll come back to that, since our real goal can never be the socialisation of a single industry. On the contrary, we aim to socialise the whole of production. But when power relations force us to undertake socialisation step-by-step, when we first have to deal with the struggle for the socialisation of individual industries, then it seems to me that, at the very minimum, we at least achieve the full socialisation of the branch of industry with which we are concerned, rather than, instead, an organisation based on proportional representation, which means, as I explained earlier, retaining the position of the capitalist. (Very true!) I am all the more [convinced] of this view, because I think Recommendation II, which retains the capitalist, is extraordinarily impractical technically. Initially, the capitalists remain. In the law it is determined that one day they will be bought out using [the industry's] surpluses. That is only possible in two ways. Either the capitalists believe in the law and that it will be implemented; then they will do everything in their power and in the power of the capitalist class to raise a storm against it. Assume that the rate with which money is set aside is set so that perhaps the capitalists could be bought out in thirty years, then that would mean that we would have to fight a *thirty years war* to make the socialisation of coal mining possible. (Very good!) That is an impossible situation and would bring about terrible unrest

within the industry. If the capitalists really believe that the law will lead to their buyout, then we would not be able to retain exactly those energetic entrepreneurs, whose initiative is so valued, in an industry in which they know that their dominance is on the wane. Only the capitalist 'rabble' would be left to us. The capitalist disadvantages of this recommendation are completely retained, but the supposed advantages of the capitalist economy are absent, because, due to this law, the really strong capitalist entrepreneurs, who want to have unlimited freedom of movement, won't let themselves be constrained, as in a really socialised economy, as long as unrestricted capitalist enterprises are still available [next to the socialised ones]. Therefore, this law brings practically no advantages, but it maintains the power of the capitalist. He retains the direction of production. His dominance in the firm is indeed reduced and the chances for profit are cut back. How far that is technically doable against capitalist resistance remains open, but I will assume a certain production policy will be possible. One will perhaps be able to carry out certain things, such as an increase in production and the use of certain methods, etc., a bit more quickly, but it remains a position of capitalist domination and what is lost is what to me appears to be the main thing: that workers are conscious of the factory as their factory and that, as a result, they devote themselves to the plant in a wholly different way and their control over production can be effective in a whole different way. So what is lost is exactly what I regard as the advantages of a socialist enterprise without any advantages at all on the other side. It is not at all correct that this recommendation encounters less opposition or is easier to realise. If one has observed the overall view of the capitalist press recently, a tremendous struggle is being carried out against socialisation irrespective of whether it is Recommendation I or Recommendation II. There is no difference because the capitalists know well that Recommendation II is untenable, that it would lead to unrelenting conflicts and because they fear that, once a start is made, it won't take long for [socialisation] to be continued. As a result, their opposition is about the same against the one recommendation as the other and we will have to mobilise the same amount of energy in the fight, whether we want full socialisation or this hybrid. There I must say, if the required fighting spirit of the working class, which is extraordinarily important, is to be created, then not for a recommendation, which retains the capitalists for thirty years or possibly forever, but on the contrary this fighting spirit can be used for full socialism. For the working class will really fight only when conscious [of the fact] that this struggle represents the first step toward socialisation and the rest will follow.

In this struggle, which we will have to carry out very soon and which will be a decisive one for the whole future of socialism in Germany, the trade unions

have an extraordinarily important task to fulfil. Comrades! Let us not deceive ourselves. These are struggles in which the political power of the working class alone is not the key; [these are struggles] that depend upon the real powers of the society, hence on economic power, on the unions and the factory councils. We should not imagine that the struggle will be easy and will be wrapped up with a parliamentary decision. Resistance here can only be overcome when the will to power of the working class can express itself to the fullest extent.

And now we see, when we consider the trade unions' tasks, that we stand at the beginning of a development that I hope will move forward at an accelerated speed. If the collapse had brought an advantage to the working class, then it is the one, which, by the decrees of 10 and 11 November, fulfilled a whole series of socio-political and political demands. The current demands are no longer the earlier ones. Increasingly, the struggle for our final goal, socialism, moves to the forefront of workers' politics as a whole. We see that consciousness is also coming to the supporters of economic organisations, to the trade unions. It is extraordinarily interesting that the movements are springing up in the most varied European countries completely independently from one another. We see in England that the unions, which are more purely reformist than in any other country and which engaged solely in day-to-day struggles that never went beyond wages, working-time, and the signing of contracts, have experienced a massive change in their intellectual essence. It is tremendously important that in the English workers' movement the recognition increasingly breaks through that limiting the struggle to one *within* capitalist society is too narrow. The unions must be the bearers of the struggle *against* capitalism, for the overcoming of capitalism, and for the reconstruction of society anew. Just before the war, but growing enormously during it, a very peculiar socialist ideology arose out of the English mentality and out of the English workers' movement: *guild socialism*. Guild socialism conceives of society as the direct bearer of socialisation. The branch of production should be led and administered by the unions, but these unions must change themselves. They must first of all accept and unify intellectual as well as hand workers and they must transform themselves from professional associations into industrial organisations (Very true!)

You see, then, the same ways of thinking that are gaining strength in Germany are also emerging more clearly and more sharply in the English trade union movement. Initially, they were ideas borrowed from French syndicalism; but the English have transformed them and have concluded that in this guild, whose nucleus is to be formed by the unions, the general interest must also be represented, in other words the socialistic, democratised state or, as they say, the territorial, the regional organisation next to the professional organisation. They have further concluded that consumers, too, must be represented

in a comprehensive way in these guilds. You see, they come to the same three-way division which we in the Socialisation Commission, and Otto Bauer, in his work *The Road to Socialism*, have adopted in Austria: the self-governance of industry by the producers in cooperation with representatives of the general interest and of consumers. Independently from one another the same ideas and the same spirit are sprouting up everywhere. But for the English workers' movement that means a vast revolutionising, because the English trade unions themselves thereby become the carriers of the idea of socialisation. Now, our unions before the war were, according to the resolutions of the party congresses, theoretically more or less filled with the spirit of socialism. But I have already said that the whole pre-war labour movement, considered realistically, was extraordinarily inclined toward reformism and day-to-day issues. Today, if we want to advance further, then filling the trade unions with a socialist spirit must be made a reality. Here, too, we have a series of advancements to record. I've already mentioned that the union of construction workers, which in another connection – comrades should not take this in the wrong way – did not exactly belong among the revolutionary unions, has now become intensively and thoroughly concerned with the socialisation of its sector. One can speak similarly about the wood workers. The miners have expressed themselves unanimously at their congress for the full socialisation of mining. It is important that the unions understand that in the struggles that we will experience they will be in the front line. The coal miners who demand socialisation should not be left alone during these struggles, on the contrary, the entire power of the workers' movement, above all the total power of the unions, must place itself behind the miners so that we can fight this struggle successfully through to the end. (Very true!) It is not my task in this context to discuss certain changes in the inner structure and in the organisational forms of the unions that, as the guild socialists in England advocate, probably will be necessary the more they view themselves as supporters of socialisation.

Equally as significant is the role of the works councils. Their role is a double one. First, they have the task of education. They must be sure to closely study the mysteries of capitalist production and go beyond the Works Councils' Law to create the necessary conditions to achieve a real understanding of all the secrets of a capitalist enterprise and thereby really take control of production. We all know, however, that socialist educational work also means a struggle. There was once a period, at the time of the exceptional law in Austria, when the two factions of the day argued about whether one should say, 'through education to freedom' – those were the 'moderates' – or 'through freedom to education' – as the radicals asserted. Since then we've learned that a synthesis is necessary and that we can only achieve education in the continuous struggle

for freedom. For this reason we set before the working class ever-new tasks that it solves in struggle, while simultaneously appropriating the education needed to meet new challenges.

That is one major task of the works council. They also have the task, precisely because they bring together all of the workers in the enterprise, to ensure that they are not united in the interest of the plant's goals, as it says in the law. That is the great danger, that through this concentration for the capitalists, they could let themselves be misled to want to help secure the immediate petty interests of the firm in individual plants. Comrade Wissell has already provided examples of that. It is an extraordinary danger, for by such means the working class struggle is distracted from the main goal and a wedge is driven between individual strata of workers and the professions. This danger must be avoided at all costs and you can avoid it if you keep your eye not on the goal of the enterprise, but rather on the purpose for which you are really there: the *socialist class interests* of the proletariat. Against the goals of the firm you must place the aim of achieving socialism. Only when you school the council delegates and the workers in the plant to subordinate their professional and firm-oriented immediate interests to the final goal of socialism will they be able to fulfil their task.

Comrades! In summing up, we are in a situation in which we will soon face a struggle and for this fight we need the *unity of the proletariat*. (Applause) There can be no doubt at all about that (renewed applause); this unity of the proletariat can only be achieved if we mobilise the workers around battle cries that really are in keeping with all their class interests and with their consciousness. We divide the proletariat when we issue formulas, which, whether right or wrong, are only in accord with a small segment of the workers. We unify it when we lead it in a concrete action, in a struggle with a concrete goal, which the proletariat must want because it is in its interest. That is the issue of the socialisation of the coal industry. Therefore, I place that in the forefront. We want to lead the fight for the socialisation of coal mining, because with that, we can hope to unify the entire proletariat once again in a great and united action. This slogan is unifying and will be decisive for two reasons. First, because it must and will be a true class struggle that is completely transparent: On one side the proletariat and on the other the bourgeoisie. We know that the bourgeoisie will use all its forces to avoid defeat. It will really be a test of strength between the two classes. We can only be equipped for that if we go into battle united. The fight will also be decisive because we know that when we have fought it out victoriously, it puts us in a position of power, which no one can take from us any longer and from which we can more easily achieve other positions. We are not considering being satisfied with the socialisation of one branch of industry; then we would not be socialists! But when we have fought the battle for the

most important terrain, then the later battles are easier because the fighting proletariat has seen what it can do when it is unified.

If we want to fill ourselves with this fighting spirit, then we must tell ourselves that we are not leading this fight merely for the material interests of a caste or a class. We are leading this struggle convinced that we will bring about a *new cultural era*. Because then these miserable material concerns, which today preoccupy the thoughts of the masses, are to be satisfied and pushed, finally, into the background, and because, as members of society with equal rights, we can participate in those things that make life worth living, in the great riches of culture, which our labour has created, in art and in science. We are not leading this fight for a momentary improvement of the situation, as poor and miserable as it is, but on the contrary, we want to lead this fight and make great sacrifices because we know that, after overcoming capitalism, the empire of freedom begins, about which Engels has spoken. We should not only complain about how poorly we are doing, but we need your confidence in victory and that determination, which will pervade us when we think about the great goal that makes this struggle worth the price. And therefore we cannot think only about material concerns and material things, but instead for this struggle we need what has largely been missing since that pathetic 4 August: we need *more idealism*. And so let me close with the beautiful words written by the English guild socialist Cole about the trade union movement:

A movement is only dangerous, then, if it is borne by an idea. If perhaps it has occurred that people with high ideals could not achieve their goal because they did not keep their powder dry, it is also the case, that no amount of powder would be large enough to lead a revolution to victory without a leading idea. *Constructive idealism* is not only the principle force of any uprising; it is also the bulwark against the reaction. Should the trade unions be the revolutionary power of the future (and I add that the same is true for the works councils), then only in so far as they are inspired by real idealism. As long as they remain purely materialistic they haven't the slightest chance of replacing capitalism with a better system. The socialists, who place their trust in the organisations of labour, want the trade unions to mean more than the effort to achieve a better material living standard for their members.

I wish that all the discussions of labour organisations occurred in this spirit. We have the *constructive idea of socialism* and we don't want to let this idea be watered down or shrunken. We want to carry it through to victory! (Lively applause and hand clapping).

Rudolf Hilferding, 'Die politischen und ökonomischen Machtverhältnisse und die Sozialisierung? Referat, gehalten am 5. Oktober 1920. Protokoll der Verhandlungen des Ersten Reichskongresses der Betriebsräte Deutschlands, abgehalten vom 5–7 Oktober 1920', in Cora Stephan (1982), *Zwischen den Stühlen oder über die Unvereinbarkeit von Theorie und Praxis*, Bonn Verlag J.H.W. Dietz, 110–32.



Revolutionary Politics or Illusions of Power? (1920)

Comrades! It is certainly not an intentional symbol, but it is a symbol nevertheless that today, as we continue our proceedings, the inscription on the wall at the back of the stage, 'Workers of the World, unite', is missing.

I fear that is a bad sign. And my fear is strengthened by the speech that we heard yesterday. It was a noteworthy speech and we followed its method and content with great interest. We were astonished at how well comrade Zinoviev, as a representative of the International's Executive Committee, had understood to speak at length about many things with which we agree (Very true! On the right.) Our agreement with him on such points would have been all the greater if he had targeted his attack on the correct address, if he had made the right-wing socialists the object of his polemic in our place. (Very true!) We admired the technique with which Zinoviev ignored all the questions that are most important to those who, before deciding about joining the Third International, wish to achieve a complete understanding. But the speech was less about those matters than about things we've all known for a long time. I have the feeling that a dead horse was being flogged. But, nevertheless, I also had the feeling that the speaker is much too clever not to know what he was talking about. (Agreement on the right.) He threw himself with such force against an open door so that people would get the idea that the door was closed. (Applause on the right, spirited objection on the left.) This effort, which was superfluous, was to impress those outside.

And, if proof had been necessary of how the representative of the Executive Committee allows himself to be led by Russian ways of thinking, then it was exactly this speech. It is extraordinarily telling how Zinoviev, certainly under the totally extraordinary impression of the colossal events occurring in his fatherland, construes the whole world in Russian [terms] just as he does all party relations.

He reduces the antagonism in Germany to the antagonism between Menshevism and Bolshevism. I don't believe that the picture that Zinoviev has

painted of Russian Menshevism is an accurate one. There, too, perhaps much is concocted for the purposes of the polemic. But the one thing we do know is that the antagonism in Germany and in Western Europe has nothing to do with the antagonism between Menshevism and Bolshevism. On the contrary, the antagonisms here are of a totally different kind and the problem that agitates us is [this]: how can one apply the fundamental principles of scientific socialism to the concrete revolutionary situation in Germany and in the rest of Western Europe. It is not enough to agree with some of what the Russian comrades say who have come from Russia. It is not enough that certain formulas and directions are provided, which we have to learn by heart, and thereby learn what we have to do.

If politics were so simple, then it would be extraordinarily easy, but I am still of the opinion that the emancipation of the working class must be its own work – also in the sense that it must be its own mental work, which cannot be replaced from the outside and cannot be replaced by means of one simply applying the experiences of other countries to German conditions. (Very true! From the right.) We have to solve our political problems ourselves and we cannot accept this solution from the outside, as important as it is that we learn from the experiences of the Russian Revolution, learn what to do, and also learn what not to do. But it is just as important that we digest these experiences ourselves and apply them ourselves to our practice (Very true! And objection!)

Zinoviev's remarks against Menshevism, which we also represent, were such that they clearly reveal that he also has no idea about the history and tactic of our party. (Objection from the left.) Zinoviev asked us: What is your position on democracy? What is your position on the world revolution? And he told us at length that it is our view that the revolution in Germany is over, that we have already passed the peak, and he was so kind to concede to us, that one might believe that history will one day decide about that. But such people who don't believe in the revolution would have nothing to do in the Third International.

What is our real perspective? We have consistently said that 9 November was not a real revolution in a certain sense of the term. We have done everything during the war and at the outbreak of the revolution to shape the latter as thoroughly and radically as possible. (Objection from the left.) But the collapse hit a working class, which, through all the events before the war, and through the extraordinarily favourable economic conjuncture that had dominated the period from 1895 to the war's outbreak, was diverted by the party, against our efforts, increasingly along the path of social reformism. Therefore, at the beginning of the war, it did not stand in our camp but in the camp of the reform socialists. We were unable at that moment to exclude those who had the working-class masses behind them – and that has to be considered in all

of our actions – but we said at that time that the collapse was not yet the revolution; it was not the end, but the beginning. And we've seen the beginning above all in the revolutionising of the working class in what Zinoviev calls [its] intellectual orientation. This process of the revolutionising of the working class has advanced since November and we are the bearers of this progress. (Very true!) We have attempted to revolutionise the masses, we, and not the Communists. (Objection from the left. Commotion. Shouts of 'Very true!' and clapping from the right.)

It is very telling that, at the moment in which I am defending our party in the first and most difficult period of its short history, in which I am defending its historical outlook in contrast to an illusionary one, and in contrast to the adventurist and false tactics which the Communists have hammered home, delegates at our party congress are taking positions for the Communists and against our party. (Very true! Applause.) We never thought that this revolutionary process was complete. We never had the view, which they ascribe to us, that the high point of the German Revolution has already passed, and we calmly await history's judgment of our perspective. But, nevertheless, what we do think is that this revolutionary development in Germany, the intellectual radicalisation of the masses, is not enhanced by a dismemberment and fragmentation of our party. (Very true! from the right. Objections from the left.)

Party comrades! This process of revolutionising the masses can only be driven forward by a policy that does not split the masses but which, instead, places them before concrete and clear goals and pushes them forward in the struggle for these goals. Every struggle that is carried out for an important proletarian goal is a power struggle that drives them forward. Each of these power struggles leads the masses to the limits within which an advance of proletarian power within capitalism is possible. Only when we always push the proletariat to this limit, when we show it that the line must be crossed, only in connection to that does the great final struggle for the conquest of political power develop. But not when one hinders the proletariat's struggle by means of asserting that the individual goals that have been taken up are unsatisfactory, bad, and inadequate. Naturally, we know that an individual goal is not the whole. One does not have to tell us that. But if one doesn't really lead the proletariat in the fight for these individual goals, which emerge from its concrete situation as a class, then one makes it hard to fight at all. If one believes that the fight for the conquest of political power can unfold in such a way that one tells the proletariat, as Stoecker did here, that we don't need the socialisation of the coal industry, we don't need control over production, that is not achievable. We need the conquest of political power – yes, [but] how do you want then to conquer political power, how do you want to begin this fight

without initially pointing out the next step, the next goal, the next milestone around which this struggle can catch fire? (Very true! from the right. Heckling from the left.) Comrades! If you make such simplistic objections to me, then I'll answer you just as simply by quoting *Faust* and saying: 'You are like the spirit you can understand. Not Me'.* (Very good! from the right. Heckling from the left.)

Zinoviev said that we are not revolutionaries because we don't believe in the revolution and I say, whoever says that does not yet understand our view-point at all. It asserts that we are in the middle of this revolutionising process and that it is the party's task to support this process with all means that are usable under current conditions. In the same way, what Zinoviev said about our understanding of economic conditions is totally wrong. Zinoviev said: is capitalism ripe enough to be overcome? Every socialist in Germany who has earned this title has a different idea. (Very true!) And when it is said that this idea is something new then it is also totally wrong. Zinoviev cited my *Finance Capital* correctly, in which I said that the concentration of capital today is so far advanced that in contemporary capitalist society the connection between the capitalist monopolies, the cartels, and the trusts with the banks had grown to such a level that, in fact, the big Berlin banks control the key part of total production. Moreover, when a society disposes over these banks, then there would already be socialist control of production. My friends and I have forcefully and uninterruptedly advanced the idea that the economic conditions in Germany are mature enough for socialism. (Very true! from the right.) I wish to expressly state that once again, also against some different opinions, which Kautsky had put forward for a time.

In an article in *Freiheit* I once argued against Kautsky that our view couldn't be to first wait for a new period of capitalist prosperity. Certainly, in some respects an epoch of prosperity would make it easier for the proletariat to implement socialisation, but it would mean reestablishing capitalism first. We all know that such a reestablishment of capitalism would influence the psychological outlook of the working class in a reformist rather than in a revolutionary sense. Therefore, we are of the opinion that the revolutionary proletariat must exploit the crisis of capitalism, its serious breakdown, because the social, psychological conditions for the revolution are better during the crisis. It is simply a slander when it is said that we have been working in any way for the restoration of capitalism. I don't know where this slander could come from if Zinoviev

* 'Du gleichst dem Geist, den Du begreifst, nicht mir', from Johann Wolfgang Goethe, *Faust: Eine Tragödie*.

had not had certain Russian notions in his head. (Heckling.) Nevertheless, the Russians have had to make large and important concessions to capitalism. They were the ones who negotiated with foreign capital and wanted to grant it expanded concessions. (Objection). That it did not result in anything was due to the resistance of capital, for which conditions were not stable enough. But it was they who negotiated with capital and they had to negotiate. I'm not criticising them. It only proves the power of economic conditions, which cannot simply be conjured away by the power of political authority. But we in Germany have never worked for the restoration of capitalism. We have struggled against and rejected all illusions about the planned economy, all illusions about cooperating with capital and the capitalists, all illusions about a policy of coalition between us and the bourgeois parties, and we said to the working class: in this crisis there is only one means of rescue against growing misery and that is the fight for socialism, that is the realisation of socialism (Very true! from the right) We have demonstrated that to the working class over and over with every economic occurrence. Therefore, when it is said here that we wanted to restore capitalism, [that charge] must be dismissed.

Now, comrade Zinoviev has said that if the economic conditions are assumed, and not one of us has doubted that – that was one of the obvious assertions that were made – (Very true! from the right), if these economic conditions are assumed, what about the political conditions? (Interruption from the left: Intellectual Orientation!) If we have not made much progress in the politics of the German working class since November, the reasons for that are manifold. I've already mentioned the basic reason. The revolution encountered a proletariat that in large measure stood in the social reformist camp. We succeeded, through tireless work, through the toughest struggle, and through great zeal in separating a part of the working class away from social reformism and moving it into the revolutionary camp. (Very true! from the right) But, party comrades, that is only a partial fulfilment of the political conditions [we need]. If we want to pursue revolutionary politics, then, at least in Germany, facing a bourgeoisie that is tightly organised, well armed, and united against the proletariat, we must have a united proletarian front against such a bourgeoisie. (Very true!)

The united proletariat front won't be organised using any old artificial slogans. We will only achieve this united front if we really fight and set a goal corresponding to [the interests of] the entire class and that is of such a nature that no proletarian group, whether on the left or the right, can withdraw from this struggle. (Very true!) This unity of action is the most important thing, because from the unity of action emerges the united front, from the united front emerges a wider field of battle, and, from the wider field of battle, finally,

follows the fight for power. (Very true! from the right) And what have we experienced instead of that? We have repeatedly experienced often wanting to go into action only to be attacked from the left and left in the lurch by the right. (Very true! from the right) We were attacked from the left. No working-class politics was actually pursued in Germany, but rather a politics of factional interests within the working class (Very true! applause from the right) A politics through which the working class was really hurt, where there was no victory for the working class, but instead only defeats. Therefore, in Germany, it is the most important precept of proletarian tactics to be alert to the prevention of further disintegration. Instead of that, [however], we experience this disintegration being carried from one country to another.

Comrades! Later I will come back to how great Zinoviev's 'tolerance' can be. Here I have to talk about the intolerant part of Zinoviev's speech. What are the conditions in reality? Zinoviev said it won't be long at all before the Balkans are a soviet republic and German Austria, I think, will be a council republic and perhaps Germany, too. (Interruption: Italy!) One should not prophesise, Zinoviev should not prophesise; the traces of Curt Geyer* could be frightening. I remember an essay that, if I'm not mistaken, I read in the Communist journal *The International*. It was a report about the first congress of the Third International and in this report the author said, when these lines are printed, he knew for sure that the report would no longer appear in a world in which there were only two soviet republics, namely the Russian and Hungarian ones, but that this report would be read in the soviet republics of German Austria, Czechoslovakia, Germany, and, I think a couple of other countries were cited. (Hear! Hear! From the right.) The author of this bold prophecy had to experience, as the report appeared in print, that the Hungarian Soviet Republic had gone under and a counterrevolutionary movement had installed itself not only in Hungary but also in all of Southwestern Europe. This author was comrade Zinoviev.

In contrast to this view, I think that a proletarian tactic basing itself on the one possibility that, in two weeks or in two months or in three months or in six months, the revolution will be carried out and the proletarian dictatorship realised is a gamble, a dangerous bet, upon which no party can rely. (Very true! from the right) What we need is a tactic that accounts for all eventualities, one that

* Curt Geyer (1891–1967) was trained as an historian and economist. After an early career as a Social Democratic journalist, he joined the anti-war opposition and eventually became a leading figure in the USPD's left wing. In 1920 he supported the latter's affiliation with the German Communist Party. He then became a member of the KPD's Central Committee until his expulsion in the wake of the failed March action of 1921.

is ready, intellectually, organisationally, and politically, to exploit a revolutionary situation when it arises and to lead the proletariat to victory, but one that does not strike prematurely by relying on trust in historical development. For to strike prematurely means that the proletariat would suffer a terrible defeat. (Heckling from the left: but that is what you are doing!)

In order to pursue such a political approach it is necessary for the proletarian parties, the revolutionary parties, upon which it depends, to avoid nasty competition against one another to see who is more radical. That limits communist policy just as much as that of the USP. In reality that makes the proletariat the object of the politics of the bourgeoisie. (Very true! from the right) This politics of disintegration is a politics not in the interest of the revolution but, rather, of the counterrevolution. (Very true! from the right)

Party comrades let's clarify what revolutionary politics means. Russian conceptions once again play a dominant role here. In Russia, where there were no mass parties and no political mass organisations worth mentioning before the revolution, it was relatively easy for the worker masses to move in a unified manner into the one political camp not as a result of any particular form of organisation, but due to the consequences of the revolutionary events themselves. But in Germany and in all of Western Europe the conditions are totally different. Since the outbreak of the war we have carried out an uninterrupted struggle with the right-wing socialists. Since the revolution we have been able to carry out this fight under politically favourable conditions for the politics of the right-wing socialists – their coalition policy with the bourgeois parties, their policy of paralysing the working class to the benefit of the bourgeoisie, and then the whole infamous Noske business, was the strongest argument for the correctness of our politics. And although this fight was carried out as sharply as possible, the right-wing Socialist party is still on the scene and is still a strong party to which a large part of the German proletariat still listens and in which it remains organised. In addition, in recent years the progress of the revolutionary movement against the right-wing socialists has slowed and I fear that over the last two months we can no longer speak of progress. (Interruption from the left.)

If it was so difficult in Germany to move the working class into the revolutionary camp, how do matters look in other countries? We are always told so much by the Communist International, in which all countries sit. In reality that is totally wrong. In reality, the position of the Social Democratic parties in many countries is hardly shaken except where these parties have remained united and where the left wing within the party was victorious, as in France and Austria. But where that is not the case, things are different. The Young Swedes, for example were defeated to the benefit of Swedish Social Democracy, which

already stands on the extreme right among the reform socialists, and the situation is similar in Denmark. In England and France the communist movement plays practically no role. If this is really how it is, then it is really utopian to believe in unifying the working class with the revolutionary camp via organisational means like the establishment of new parties or the preparation of new organisational statutes. One can't do that by playing around organisationally. One can only do it through real action. One can only do it when the political party mobilises the proletariat behind it in real struggle. But it is not just that the political parties should be subverted; yesterday we heard at one point in the speech, when Zinoviev suddenly let himself go, when we all had the feeling that now his true face was showing itself, how the trade unions should be handled. Zinoviev said the Amsterdam International is a yellow international. (Very true! from the left) You are right (Interruption from the left: For sure! Interruption from the right: After all you are members!) There is just one thing I don't understand: how, for example, Richard Müller allowed himself to be elected as a delegate when the Amsterdam International met for the first time? (Very true! from the right) And I also don't understand how he allowed himself to be delegated to the International Congress of Metalworkers, which has the same leaders as in the Amsterdam International. In reality none of you believe that the Amsterdam International is a yellow international. (Very true! Tumult. Heckling.) It should be destroyed only in order to achieve the same ends as with the party. The trade unions should be split just like the party. It is the same method. The party, too, is not placed before the real political question: Should we remain the Independent Social Democratic Party or should we become the Communist Party – with all the consequences of its way of making revolution. Instead one splits us from without over the question of joining the Third International, which we all want. One behaves with the unions in exactly the same way. One says: We don't want to split the unions. But one places them before the single question: The international in Amsterdam or Moscow. One says: Join the unions but form communist cells. Exactly the same thing that was done to the party is now in store for the Trade Union International. You yourselves are members of this International. You yourselves belong to those fighting an uninterrupted struggle within the International in order to revolutionise this mighty organisation. Who led the fight against all these dreamy illusions of harmony? Who had best organised the fight; who was successful? That is the same Dißmann* (Stormy applause and hand clapping on the right) who should

* Robert Dißmann (1878–1926) joined the SPD in 1897 and became a leading functionary in the German Metal Workers' Union. A member of the party left wing, he opposed the majority's

be expelled today! The same Dißmann, who, according to Radek in Moscow, was the one pursuing the right trade union politics in Germany. (Applause and objections, also on the platform.)

But comrades that is not enough. This yellow trade union international is in reality the only international that was capable of action and could only be capable because it was not crushed. (Very true! Applause from the right.) It was capable of action in Hungary and, if the Hungarian boycott was not carried out as we would have preferred, the problem lay not with the Trade Union International, but in the fact that broad strata of the workers in Czechoslovakia are not yet organised enough to follow the International's slogans. That is not the fault of the International but rests on the weakness of the worker organisations. Yesterday Zinoviev thanked us for supporting Russia in its struggle, for boycotting munitions transports, and so forth. Of course that is our duty. But, as much as this boycott can be effective, it can't be led by the USPD alone. On the contrary, the unions must lead it. (Very true! from the right) And I think that if comrade Zinoviev wants to express his thanks, then he must render the thanks, which he directed to us yesterday, to those men whom he abused here. (Stormy applause from the right)

And how he had insulted them! It was a flash of light illuminating the semi-darkness of comrade Zinoviev's remarks when he uttered the sentence: This Trade Union International is still more dangerous than the Orgesch and the white guard murderers of the proletariat.* (Great commotion and lively shouts of phooey! from the right) I am not talking about the fact that it is downright monstrous to place men, whether they rightly or wrongly support a different tactic, on the same level as the murderers of the proletariat. (Renewed outraged commotion and shouts of phooey from the right) That betrays a lack of moral sensibility, which we unfortunately encounter all too often in the proclamations of the Third International. (Renewed stormy applause and handclapping from the right, commotion on the left) It is political false labelling to place this

support for the war and co-founded the USPD. In 1919 he became the head of the Metal Workers' Union in which he opposed efforts to introduce a pure councils system. He opposed the USPD left's decision to join the KPD.

* Orgesch is the abbreviation for the Organisation Escherich, a powerful anti-republican and anti-Semitic paramilitary organisation headed by Georg Escherich (1870–1941), a leading Bavarian monarchist, in the years immediately following the revolution of 1918. Based in Bavaria and claiming over one million members, the group expanded its influence throughout Germany and into Austria until the government banned it in 1921. Many of its weapons and members found their way into other paramilitary organisations that remained actively opposed to the Weimar Republic.

Trade Union International on the same level as capitalist organisations. It is political false labelling, because comrade Zinoviev does not believe it for one minute. (Again applause from the right, strong opposition and heckling from left: You are the false labeller! Great commotion and shouts of phooey from the right) We all know it and Zinoviev must know it, too. (Continued stormy interruption from all sides and unremitting noise)

In reality – and that also must be said openly – each of us knows that this division of political parties creates an extraordinary danger for the workers' movement in Germany, because it greatly increases the power of the bourgeoisie there. And if the bourgeoisie in Germany must impose certain limits on its power, this is only because it knows that it would be unavailing in the face of trade union resistance because the unions stand together in unity. And, therefore, it is in our interest as a party, and it is in our vital interest as a workers' movement, to support the unions, to hinder the effort to divide them, and protest when someone describes them to the working class as yellow organisations.

And, party comrades, Zinoviev knows this very well in other circumstances. He said – and here I agree with him completely – that it was a great historical advance that in England the workers elected an Action Council during the last wartime crisis. Yes, who was this [in] this Council? It was the leaders of the same trade unions who Zinoviev slanders as yellow! It was the same people with whom we may no longer meet in Amsterdam. However, Zinoviev said: The most significant revolutionary advance, perhaps a beginning of the revolutionary movement in England, is the installation of these 'yellow' trade union leaders in the Action Council. Yes, Zinoviev, one minute you see the people as yellow [but in the next] as red – I must say: Your eye certainly has a strange disposition!

But let's continue. This Action Council, says Zinoviev, is so important because it was a type of soviet. Comrades, this Action Council has nothing to do with a soviet in any sense of the word either organisationally or in an historical sense. It was a conclave of working-class unions and political organisations. Zinoviev believes, however, that one could still speak of a soviet, because it was a type of shadow government, that there was a period in England with a dual government and the bourgeoisie feared this dual government.

Yes, comrades, how was it in Germany? Are the complaints of the bourgeoisie about the trade union shadow government new? During the March days didn't we constantly hear about our trade union shadow government? Isn't it a crime, then, when this shadow government, among many others, has a Legien in its midst who is called Appleton in London and has other names in other places. It is exactly the same, and when Zinoviev must label the English Action Council as a revolutionary step forward, then he must also label our tactic in

the Kapp Putsch as a revolutionary step forward under the circumstances of that time. It won't do that one sees the facts now one way, and now another. One must always treat them consistently and it is my opinion that, whether it is about a complete concentration of the working class on a particular goal, whether it is about a revolutionary step forward, or whether it is about a real expansion of power, it is of no importance which people take this step.

Party comrades! Certainly, we see in Western Europe – and here, too, comrade Zinoviev stated the obvious – a progressive revolutionary development, a progressive orientation of the working class toward radicalism, both in the party and in the trade unions, and it is also fully correct, at least in terms of intellectual orientation, that this development is already quite advanced in Italy. But, comrades, it is precisely the Italian example that is so extraordinarily important for the perspectives outlined by Zinoviev here. (Very true! from the right) Comrades! I understand completely when Russian comrades, who are in possession of state power and therefore have effective, stern, and thoroughgoing authority, when these comrades come to strongly overestimate the relations of power, even where the proletariat is anything but in possession of state power, like in Italy. That example is very typical. The Italian proletariat made a revolutionary step forward. In the wake of a lockout it occupied the factories and held them for weeks. Finally there was the decisive question of whether the proletariat had the ability to carry out this struggle to the final conquest of political power or would it have to accept a partial payment. The proletariat decided in favour of the partial payment and now along come the Russian comrades, who are far from the steed (laughter), and for whom a comprehensive overview of Italian conditions is impossible, and say: that is a defeat for which the traitors in the unions are responsible, the traitors in the party, in the party which is already a member of the Third International.

Yes, party comrades, what kind of a conception is that? Do individuals really make history free and independently and does anyone believe that these people intentionally chose a counterrevolutionary road and intentionally betrayed the revolution? (Shouts from the left: Yes indeed!) I say, whoever thinks that does not know the people or the conditions. (Applause from the right) And he also cannot know them because the Italian conditions must be judged primarily by the comrades in the Italian movement themselves, who are familiar with the relations of power and, as a result, are solely empowered to make decisions about whether they can continue the fight or not. But that is typical: in Moscow one thinks that these decisions can be made from there on the basis of some kind of higher understanding than the comrades who are active in these countries possess. That is the thing that for us is completely impossible, because in our opinion only the proletariat of each country can

decide about its struggle in particular phases, in particular stages, and in particular concrete cases. For only the proletariat of each country knows the issue at hand and it must determine on its own what sacrifices it will make in this struggle. (Applause from the right)

Now, comrades, I repeat that in Western Europe there are many tendencies in favour of revolutionary development and it is our duty to lead them and to support them. But, comrades, how this revolutionary development turns out cannot be determined from the outside. It depends upon the economic and social power relations among the classes in the individual countries and it is utopian to think that one can drive them forward through some kind of solution, through some kind of order from outside. That is impossible due to the domestic development of these countries.

And now, comrades, allow me a few brief remarks about development in the Orient. Zinoviev said I had interpreted this extraordinarily important movement completely incorrectly and [I had] only made jokes about the mullahs of Khiwa. The opposite is true. At the national conference I said it would demand a new theoretical position on our part. In addition, I said that I would not be able to go into the theory in the 15 minutes at my disposal, but that I would talk about Bolshevik policy. But in my opinion such a theoretical justification is not at all necessary for that is not the matter upon which joining the Third International depends. In this context I said: I am curious about whether the mullahs of Khiwa, who are cited here, really have no theoretical qualms; I am curious about whether when dealing with the Asian movement, which has great world historical importance, we are really engaged with a modern Marxist socialist movement. That is naturally totally different than what Zinoviev claimed that I had said. I did not even consider offending against religious prejudices, which – as comrade Zinoviev said – are to be treated with consideration by the Third International. I did, however, expressly emphasise that this movement in the Orient had extraordinary historical importance.

Comrades! This movement did not just begin. We already saw it coming in connection with the first Russian Revolution, the Young Turks, and the Persian Revolution. What is unfolding there is a part of the great historical process of awakening among the nations without history, to use Engels's term, which began in the last century with the awakening of the Slavic nations, of the Czechs and South Slavs, and which continued in Russia and today is sweeping through all of Asia. It is an enormous movement the historical significance of which no one here underestimates. But, comrades, how did this movement unfold? What is at the heart of this movement? The core of this movement is a bourgeois and peasant national movement for the creation of a unified national state and for the achievement of this unified state's independence. This movement is

unfolding – we have encountered this in the Slavic movement – in a thoroughly nationalist spirit and it is natural that the Asian movement will also be filled with this spirit.

I was absolutely right when I said that this movement has nothing to do with communism or socialism. Now, comrades, none of us underestimates that this movement represents major historical progress and that it is the duty of socialist parties, for various reasons, including very important proletarian interests, to support it. None of us is considering criticising the Third International for also supporting this movement. What we have to recognise, however, is that socialists' support for such a movement encounters certain limits of socialist principle. It was extraordinarily interesting how, at the debates of the congress of the Communist International about the nationalities question and about the Orient, representatives from India and Turkey, who were there on behalf of nascent workers' movements and small organisations just getting established, said that the theses proclaimed there would make their work much more difficult or even impossible and thus must be rejected. (Hear! Hear! From the right) And Serrati, the representative of the Italian party, joined them and voted against the theses. It is, then, very clear. What the Communist International is doing in the Orient isn't a socialist policy at all (Very true! from the right) in a positive sense of the term. It is, rather, a power policy of the Russian Soviet Republic; it is a struggle against England; it is a struggle for power in which it must ally itself with the strong and the strong in this case are not the workers in their small and fragmented organisations, but they are the representatives of the bourgeois-nationalist movement. It is very indicative that comrade Zinoviev did not say a word about the non-existent alliance with Enver Pasha;* that the Russian Soviet Republic pursues a policy bent solely on power; if it ceases to follow a principled socialist policy, then it would have to ally itself with those who support this nationalist movement in whatever form they might appear. However, it is wrong if one thinks that one has to tell us what this is all about. We know this revolutionising of the Orient is a process that will move forward,

* Ismail Enver Pasha (1881–1922) was an officer in the Ottoman army and a leader of the Young Turk Revolution of 1908. During the First World War he served as Minister of Defence and was the decisive figure in steering the Ottoman government onto Germany's side. As defeat loomed the Sultan dismissed him in October of 1918. Condemned in absentia as a war criminal by the post-war Turkish government, he spent his remaining years in Germany and Russia working as a secret envoy between the German army and the Soviet regime. Pasha dreamed of constructing a pan-Turkic empire. After cultivating good relations with the Bolsheviks, he later turned against them by joining and becoming a leader of the Basmachi revolt against Soviet power in Turkestan. He was killed in battle.

however we don't believe, as is so often proclaimed here – not by Zinoviev, but by the telegraph office, by 'Rosta', and by *Die Rote Fahne* – that in Moscow one only has to lift one's finger and the holy war will break out. No, comrades, it is a much lengthier process that will take decades or perhaps even longer. The consequences of this process can hardly be gauged and it is perhaps possible that the centre of world history will shift to the east. But if Zinoviev thinks he can tell us something new about that, he is mistaken.

I would like to say something, briefly, on the colonial question. Zinoviev said, referring in that regard to Ledebour,* and had to recognise, that on the colonial question Ledebour had stood by his man. But the concept that Ledebour put forward on colonial matters was also our joint concept. (Very true! from the right) It was us who fought most tenaciously in the old party against the colonial utopians and against illusions. We fought against them by arguing that this entire colonial policy comes at the proletariat's expense. Even if – and this is not the case – it appeared to offer some advantages to some proletarian strata, these advantages will have to be paid for through a steady increase in capitalism's antagonisms; they will have to be paid through an imperialist world war. That was our view. We predicted that in the struggles that we carried out at that time over the old party's fundamental principles. Allow me a short quotation. One of those comrades writes:

Whenever and however the proletariat conquers political power it can only happen in a period of colossal shifts in power relations that emerge from long bitter struggles and which shake the whole of humanity to its bones. The European and American revolutions can't remain without effect on states in other parts of the world. The shifts in power relations among the classes must be accompanied by changes in the power relations of races and states, just as it is probable, on the other hand, that internal revolutions are stimulated by external revolutions [and] world wars.

In this era of great transformations must the nations, which today in most developed colonies are already fighting for their freedom, develop quickly and find the strength to tear themselves free from the states that dominate them and which are absorbed by their internal divisions. East India, the Philippines, and Egypt, which now exhibit such lively

* Georg Ledebour (1850–1947) was a long-time Social Democratic politician and journalist. He served as a Reichstag delegate from 1900–18 and was a leader of the anti-war opposition, co-founder of the USPD, and an opponent of merging the USPD left wing with the KPD.

national movements, a strong urban intelligentsia, and the beginnings of an industrial proletariat, will achieve their independence at the same time as the proletariat of Europe and North America. There can no longer be any doubt at all about that. Simultaneously, all the other colonial possessions must be impacted and agitated by these struggles. If Egypt becomes free, then all of North Africa must be next along with the Sudan and, finally, the rest of the black parts of the world must also enter into rapid movement. Following Egypt's model and under its influence all these possessions must be spurred on to energetic rebellion against foreign domination.

That was written in 1907 and one cannot say that this nationality and colonial policy, in so far as it rests on socialist principles, in so far as it is not, as in Russia today, an opportunistic policy of the moment, offers us anything new that we had not stood for earlier, as long as we were a part of the Second International. Comrades, the quotation that I have just read is from 1907: it originated in the essay 'Socialism and Colonial Policy' and the writer was Karl Kautsky. Time and again it deals with the objections and theoretical assertions directed our way by Moscow, such deviations from socialist principle that serve a power politics that for Russia, in the current situation, might be appropriate. We cannot decide about that; that is something for the Russian proletariat itself to decide, when asked. But we have to decide whether that is not largely impossible under European conditions – and that is particularly true when taking a position on the agrarian question.

What the Russians assert about the agrarian question is also purely from the standpoint of power and they take a position that is the opposite of their earlier agrarian programme. They advocate for it by taking over the programme of the Socialist Revolutionaries. (Very true! From the right) Of course in practical terms they have not introduced communism in the countryside, on the contrary, what has occurred there was a great peasant revolution that led to the creation of individualised property on the land. If that is the case, one cannot come to us expecting that we should also pursue the same policy.

I can imagine that in certain districts, for example in southern Italy, political conditions could develop in which the Italian comrades come to power and allow the division of certain large estates to go forward. But in a certain part of Europe such a policy plays no role at all as a power policy because the peasantry cannot be neutralised in that way. If matters were so simple, then it would probably have been done long ago. In the old party in Germany the strongest tendency existed to conduct such a policy and an attempt was made, for example, in Bavaria. But in Germany this policy completely failed because

the peasantry [here] is in a totally different situation, because it knows no land hunger like the rural workers in Russia and southern Italy do. Above all, however, such a policy would mark an economic step backward.

Now, comrades, allow me a comment. It is extraordinarily interesting to follow how Zinoviev tells us that you must come to an understanding with the peasants; one should form peasant councils. Now, our comrade Wurm, as Minister of Nutrition, in December of 1918 had already done everything possible to allow the organisation of peasant councils to take hold. Thus, we did it, but the attempts failed. But comrades, it is interesting that here Zinoviev says we should unite with the peasants and we may not pay attention to any kind of differences in principal. The same Zinoviev demands that we should split the working class based on theoretical formulations and unite ourselves with the peasants. But that is a politics that would not bring a strengthening of the proletarian situation. [That's] because in all European countries matters depend first on all on the working class in the cities and not on the peasantry in the countryside. (Very true! Clapping.)

In connection with these different conceptions of the Bolsheviks' ongoing opportunistic power politics and our basic approach [I would like to say] a word about the terror. I was waiting with great anticipation for what Zinoviev would say about the terror, but if anywhere in his speech he asserted the obvious, then it was in this regard. What did he say to us? He explained that, originally [the Bolsheviks] were very good-natured people and that, back in Petersburg, when General Kraßnov was captured as he attempted to organise an army against us, Zinoviev had let him go, acting at the urging of the even more good-natured [Julius] Martov.* But then, as the generals delivered treacherous blows, [the Bolsheviks] said that's it, we are going over to terror. I must say, I don't know [any] Russian generals and I don't know how justified the Russian comrades were in being so easy going. But, after what comrade Zinoviev told us, this behaviour seems to me to be very peculiar. But in that regard I can only say that when we, Haase or myself, or Crispien or Koenen or Stoecker** or anyone

* Julius Martov (1873–1923) was a long-time leader of the Menshevik faction of Russian Social Democracy. After the Bolshevik seizure of power, the Mensheviks went over to the opposition. Once a friend and then a rival of Lenin, Martov was then forced into the last of his many periods in exile.

** Hugo Haase (1863–1919) and Arthur Crispian (1875–1946) were co-Chairmen in the USPD Executive Committee. Before 1917 Haase had led the SPD with Friedrich Ebert. After joining the anti-war opposition and co-founding the USPD, he entered the provisional government in November of 1918 and served as co-Chair with Ebert. He was a member of the USPD's moderate wing and was assassinated in November of 1919. Crispian was also a long-term SPD

else had been in this situation and caught General Ludendorff after he had led an army against Berlin, none of us would have been so good natured as to let him go. (Lively clapping. Very true! Shouting from the left. Bell ringing. Shout from the right: Erfurt!) Does that have anything at all to do with terror? Crispian has said as clearly as he can that, if our enemies use force whether it comes in the form of domestic wars against the revolutionary movement or whether violent counterrevolutionary actions take place during the dictatorship, then the proletariat must smash this violence with all means. No one among us has ever taken a different position. I remember that in Engels's famous preface to 'The Civil War in France', his political testament, it says that revolution is the first birthright of every people and that a people cannot under any circumstances allow this right to be taken away. In just this way it has, of course, always been our view that the dictatorship of the proletariat must be affirmed. A word about the dictatorship: Zinoviev asks us how we stand in relation to the question of democracy and dictatorship. This question is answered in the *Leipzig Action Programme*, but it is also answered through our point of view, which indeed has certainly been falsely portrayed. When we came to power on 9 November, according to the Constitution Germany was established as a soviet republic and we, as Independent Social Democrats, at that time adopted a standpoint against the election of the National Assembly and for the maintenance of the dictatorship of the proletariat through the political representation of workers' councils until the bourgeoisie had been driven from its most important positions of power. That was our position, which Haase and his friends in the government also adopted. Dittman,* too, adopted it but it could not be carried out. And why not? Because, except for a small group, nine-tenths of the workers' councils at the Congress of the Councils and almost the entire mass of the organised workers opposed us. We had the same ideas as Lenin and wanted to pursue the same tactic that Lenin had recommended and carried out. At that time Lenin had said that, when we can't create the soviet republic and are now too weak to achieve it, we must say to the workers: A republic is better than a monarchy and a bourgeois republic with a national assembly is better than a republic without a national assembly. Therefore, Lenin created a republic and then demanded the election

leader who joined the USPD during the war and initially sympathised with the party's left wing. In 1920, however, he opposed the merger with the KPD and joining the Communist International. Wilhelm Koenen (1886–1963) and Walter Stoecker (1891–1939) were left-wing members of the USPD Executive Committee who favoured the split and joined the KPD.

* Wilhelm Dittmann (1874–1954) was a USPD representative in the Provisional Government and a member of the party's Executive Committee.

of a national assembly. And by promoting this slogan, which actually grew out of the views of the proletariat at the time, because a majority of the proletariat hoped that the National Assembly would bring peace, after he had mobilised them for action, he mobilised the proletariat finally in his political party. To the German workers Haase proposed exactly what Lenin had done in the Kerensky period in reference to the Bolshevik tactics. In that regard one should not say that those who at the time supported the National Assembly are not 'worthy' of membership in the Third International. It was political insight that let us take that action, but left-wing communists thwarted it, too. Rather than support our comrades, they attacked them from behind and made any action impossible. It was a politics of false assumptions. They believed that just by holding fast to the slogan of soviet dictatorship the revolution would move forward. And when they, again operating under an incorrect appraisal of the relations of power, went over to the offensive, when they attempted to attack in Berlin, the effort collapsed and the revolution in Germany was set back, not by our tactics, but by those of the Communists and those who then as now followed communist tactics.

If we are for the dictatorship of the proletariat, then I'd like to say that it is precisely German conditions that move us to tell the workers that you can't succeed with democratic methods because in Germany the nature of historical development makes a period of proletarian dictatorship unavoidable. If we don't use all means [at our disposal], the bourgeoisie would leap at the chance to do so. Therefore, we need a period of proletarian dictatorship, because it is not possible [for us] to get on our feet with democratic means in a country as reactionary as Germany, where reactionary thinking, the belief in the almighty power of violence, is so strongly rooted in the minds of the bourgeoisie. There it is necessary that once the proletariat is in power, it holds on to it until its power is economically and politically so secure that no one can take it away. Therefore, we stand for the dictatorship of the proletariat based solely on our understanding of political and economic power relations existing in Germany and not as a result of Russian tutelage. In other words, because it is not possible to instantly make a socialist entity out of capitalistic and reactionary Germany.

Nevertheless, comrades, we also say that for us the dictatorship of the proletariat is a transitional stage toward socialist democracy and in this respect we can learn something from the Russian experience. I believe, and the Russian comrades also had imagined, that the dictatorship of the proletariat would be much briefer than it in fact is, and we can see from the Russian experience that it isn't enough to deprive the bourgeoisie of its property, that it isn't enough to drive individual bourgeois from their positions of power. Even today in Russia, where all [measures] are being carried out, Russian Bolshevism cannot com-

plete the transition to socialist democracy. It is, then, essential that one really wins over the popular masses in order to be able – with these masses – to create socialist democracy. For that, however, we need a politics that does not exercise dictatorship over these masses. On the contrary, we need a politics that wins over the popular masses by allowing them to participate in the exercise of power and makes the socialist masses themselves the bearers of the movement, hence a politics that leads to the point at which the masses show lively interest in this power that is necessary to move from dictatorship to socialist democracy. (Very true!)

I assert, therefore, that, contrary to Zinoviev, who has not discussed it, the terror we are talking about is not disposed of by simply saying that we don't want to use any violence. That is not right. On the contrary, by terror we understand the government's use of force to deter people, who one assumes might do something but have not yet committed any crime. By terror we understand not the arrest of people who have carried out violent acts against the government, but rather the arrest of siblings, their mothers, their children, [and] this awful policy of taking hostages. That is what we consider terror. And it is against terror that we turn, [terror] that is used to stifle other expressions of opinion in the working class. We turn against the arbitrary voiding (*sic*) of elections to the soviets, the workers' councils, which have a Menshevik majority or even just a considerable Menshevik minority. We oppose the removal and arrest of Menshevik controlled trade union executive committees and their replacement from above. We oppose these methods and that is what we mean when we talk about terror. It is a distortion when one says that violence and terror are the same. (Shout from the right: very true! Scornful reply from the left: very true!) Now let's talk about what really threatens to tear us apart or is meant to do so. We are talking about the Conditions.*

Comrades, it is extraordinarily interesting that what we foresaw as a consequence of conditions, the decline of the party into a sect, the lack of mass participation, the penetration of corruption into the party, has been confirmed word for word by what Preobrazhensky** and Zinoviev himself have recently criticised in their [own] party, because it could no longer be hidden. But all of

* Hilferding is referring to the 'Twenty One Conditions' for admission issued by the Communist International at its 1920 Congress. These conditions required parties that wished to affiliate to reorganise themselves along the democratic-centralist lines of the Russian Communist Party, to purge 'right-wing' elements, and to submit to the discipline of the Executive Committee of the International.

** Yevgeni Preobrazhensky (1886–1937) was a Bolshevik revolutionary and economist whose criticisms of the party eventually led him to join its 'Left Opposition', led by Leon Trotsky.

that is not surprising. It is very interesting that all of that was already foreseen in 1904 in an argument with Lenin by a personality who no one can label – to follow Däumig* – as a ‘reactionary’ bureaucrat. The author first came out against Lenin’s ‘over-centralisation of the organisation’, which the latter had first put forward in 1904 and recommends to us today. Further, the author characterises this over centralisation as follows:

It is enough to note that, for example, according to this conception the Central Committee has the authority to organise all the subordinate committees of the party and thereby to determine the makeup of every individual Russian local organisation from Geneva and Lüttich to Tomsk and Irkutsk, to give it a self-made local statute, to dissolve it on the basis of its authority, to create a new one, and, finally, in this way to indirectly influence the makeup of the highest party institutions and of the party congress. Accordingly, the Central Committee appears to be the really active nucleus of the party [with] all remaining organisations merely [functioning] as its instruments.

The author confirms that Social Democracy in general contains a strong tendency toward centralisation. But the greater or lesser degree of this centralisation and its specific nature is a whole other question. Much more important, however, than the formal demands of any fighting organisation are the specific historical conditions of the proletarian struggle.

The social democratic movement is the first in the history of class societies, in which, at every moment in the course of its organisational development, the independent direct action of the masses is taken into account. In this regard Social Democracy creates a completely different type of organisation than the earlier socialist movements, such as those of the Jacobin-Blanquist type.

But it is precisely the Blanquist-Jacobin type that Lenin prefers.

Blanquism considered neither the immediate mass action of the working class nor did it require a mass organisation. On the contrary, because the broad, popular masses were only to appear on the battlefield at the moment of the revolution [and] preliminary action consisted in the preparation of a revolutionary blow by a small minority, for the success of its mission a sharp dividing line was required between those entrusted with a particular action and

* Ernst Däumig (1868–1922) was a leader of the USPD’s radical left and served for a time as one of its co-Chairman. He joined the KPD in 1920 and became one of its co-chairmen, only to resign in 1921.

the popular masses. It was also possible and doable, however, because there was no internal connection between the conspiratorial activity of a Blanquist organisation and the daily life of the popular masses.

At the same time, tactics and their associated activities, because they were improvised on the fly, out of the air, detached from any basic grounding in class struggle, were worked out in detail, fixed in a particular plan, and prescribed. Therefore, the active members of these organisations naturally transformed themselves into the instruments for the implementation of a particular will that was, from the beginning, outside of their own field of activity: they became tools of the Central Committee. With that there was a second moment of conspiratorial centralism: the absolutely blind subordination of individual party organs to the central authorities and the expansion of the latter's decisive powers to the party organisation's furthest periphery. The terms of social democratic action are fundamentally different. This emerges historically from class struggle. It moves in the dialectical contradiction that here the proletarian army is recruited only in struggle itself and only in the struggle do its tasks become clear. Organisation, enlightenment, and struggle are here not separate, mechanical, and temporally special moments, as with a Blanquist movement, they are, rather, just different sides of the same process. On one side, apart from general principles of struggle, there is no ready-made, detailed tactic for the struggle that a central committee could drill into the members of social democracy. On the other side, the process of struggle that creates the organisation shapes a constant fluctuation of Social Democracy's sphere of influence.

For this reason social democratic centralism cannot rest on blind obedience or the subordination of the party membership, and an impermeable barrier can never be erected between the seasoned cadres in the organised nucleus of the class-conscious proletariat and the social layer now engaged in the process of class enlightenment through class struggle. The establishment of a centralised social democratic [organisation], as proposed by Lenin, rests on these two principles: firstly that of the blind subordination of all party organisations whose activities, down to the smallest detail, are controlled by a centralised authority which alone thinks, creates, and decides, and secondly that of the rigorous differentiation of the organised nucleus of the party from the revolutionary milieu surrounding it. This appears to us as a mechanical transfer of Blanquism's conspiratorial organisational principles onto the social democratic movement of the worker masses. Lenin sketched out his viewpoint perhaps more subtly than any one of his opponents could by defining his 'revolutionary social democrat' as a 'Jacobin allied with the organisation of class-conscious workers'. But, in fact, social democracy is not allied to the organisation of the working class; rather it is itself the proletariat. Social democratic centralism must then be of a

wholly different nature than Blanquist centralism. It can be nothing other than the concentrated will of the enlightened and combative vanguard of the working class as opposed to its individual groups and individuals. It is, so to speak, the 'self-centralisation' of the leading elements of the proletariat, its dominant majority within its own party.

The author sharply opposes the slogan of military discipline. He says:

It is nothing other than a misuse of words when one simultaneously labels as 'discipline' such diametrically opposed concepts as the absence of will and thought in a body with many arms and legs moving in tandem and the voluntary coordination of conscious political actions of a social group or the blind obedience of an oppressed class and the organised rebellion of a class fighting for freedom. The proletariat can be educated for the voluntary self-discipline of Social Democracy not by adopting the discipline imposed upon it by the capitalist state or by simply transferring the conductor's baton from the hand of the bourgeoisie into that of the central committee but, rather, only by breaking with and uprooting its old habits of obedience and servility.

Using Russian and German history as examples, the author shows that the most important and fruitful changes in tactics of the last decade were not 'invented' by certain leaders of the movement, to say nothing of [its] organisations, but rather each time were the spontaneous product of the dynamic movement itself. In the beginning was always the act. The initiative and conscious leadership of Social Democratic organisations played an extremely small role. And the author concludes:

In its essence, the ultra centralism supported by Lenin seems to us, however, to be borne not in the spirit of positive creativity, but rather that of the sterile night watchman. His way of thinking is centred mainly on the control of party activity and not its enrichment, on its narrowing and not its development, on dividing and not concentrating the movement.

And now comes a very interesting passage, which should hearten those who support over-centralisation, especially during a revolutionary period:

Such an experiment appears to be doubly risky for Russian Social Democracy precisely at this moment. It stands on the eve of great revolutionary struggles to overthrow absolutism, the eve of a period of the most intense creative activity in the sphere of tactics and – what is common in revolu-

tionary epochs – the growth of its sphere of influence will increase by leaps and bounds. To place the initiative of party spirit in irons and to fence it in with barbed wire would mean making Social Democracy incapable of accomplishing the great tasks of the moment.

Finally the author describes the whole basis of the concept of ultra-centralism, which reaches its pinnacle in an organisational statute [designed] to exclude opportunism from the workers' movement, as completely off the mark.

Statutes regulate the existence of small sects or private societies; historical currents always have known how to disregard the most pedantic rules.

At the close of the article there is yet another extraordinarily interesting psychological explanation for this conception [of centralisation]. Indeed, it reads:

In this anxious effort to protect the promising and vigorous Russian worker's movement from making mistakes, a section of Russian Social Democracy aims to place it under the tutelage of an all-knowing and ubiquitous central committee. This smacks of the same subjectivism that has often played a funny role in Russian social democratic thinking. It is amusing to note the strange somersaults that the respectable human 'ego' has had to perform in recent Russian history. Knocked to the ground, almost reduced to dust, by Russian absolutism, the 'ego' takes revenge by turning to revolutionary activity. In the shape of a committee of conspirators, in the name of a nonexistent Will of the People, it seats itself on a kind of throne and proclaims it is all-powerful.* (Hear! Hear! from the right) But the 'object' proves to be the stronger. The knout is triumphant, for Tsarist might seems to be the 'legitimate' expression of history. In time we see appear on the scene an even more 'legitimate' child of history – the Russian labour movement. For the first time, the bases for the formation of a real 'people's will' are laid in Russian soil. But here is the 'ego' of the Russian revolutionary again! Pirouetting on its head, it once more proclaims itself to be the all-powerful director of history – this time with the title of His Excellency the Central Committee of the Social Democratic Party of Russia. The fearless acrobat fails to perceive that the only 'subject' which

* The author here is referring to the 'People's Will,' an offshoot of the Russian populist movement, which was willing to use terrorist methods against representatives of the Tsarist autocracy as a means of precipitating revolution. It succeeded in assassinating Tsar Alexander II in 1881, an act that led to massive repression under Alexander III.

merits today the role of director is the collective 'ego' of the working class. The working class demands the right to make its mistakes and learn the dialectic of history. Let us speak plainly. Historically, the errors committed by a truly revolutionary movement are infinitely more fruitful and valuable than the infallibility of the cleverest Central Committee. (Applause from the right. Uproar on the left)

And who is the author? It is none other than Rosa Luxemburg and you will find all these quotations in her 1904 article 'Organisational Questions of Russian Social Democracy' in Volume 22 of the *Neue Zeit*.

One cannot clarify any better the great gulf between the illusion of power, between subjectivism, the overestimation of the personality factor, the overestimation of organisational statutes and the objectivity of the Marxist outlook than Rosa Luxemburg has done here. (Applause on the right. Uproar on the left.) I believe, we have the right to say that the founders of the German Communist Party would not sign the Twenty-One Conditions (Very true! From the right) We don't overestimate the role of personality, but if outside of Russia there is a personality in today's communist movement with the authority, courage, and the intellectual acuity of a Rosa Luxemburg, then the Russian Central Committee would never have issued these conditions. (Stormy applause from the right. Hissing from the left.) You don't need to say anything further about the content of these conditions. We reject them, because they damn the German labour movement to becoming the movement of a sect, and because we are convinced that without the most independent participation of the whole mass of the proletariat it will never be possible to create the revolutionary orientation we need under German conditions. Where are the successes of the Communist Party, though it works with a gigantic apparatus? It has not accomplished anything because it wants to determine everything from above and because it wants to exclude participants from any real right of co-determination. Therefore, I don't need to spend much more time on that. I will limit myself to pointing out the real essence of the organisational statutes, which is as follows: the European workers' movement should be transformed into one that is like that of the Orient. It should be transformed from a movement with a self-defined purpose that forms a part of the independent and autonomous movement of Western European workers into an instrument of the Moscow Executive Committee's power politics. And this Central Executive Committee is nothing other than the Central Committee of the Russian Communist Party. (Stormy disagreement from the left.) Everything you tell us about the representatives of other countries can't fool us for a minute into believing that these so-called representatives in reality are not completely dependent on

the Russian Communists and would not have become representatives if they were not in this dependent relationship. We see all right, how any independent expression of opinion by the representatives of other parties is received; how the representatives of Sweden and Italy were treated when they expressed opposition, and how they were told: You have to either change or split [the party]! We cannot accept the conditions, because we want to maintain the independence of our movement and because we don't, as Rosa Luxemburg put it, want to hand over the conductor's baton even to such a closely allied party. We are unable to do that, because we are dealing with a politics that poses the greatest challenges to the proletariat. It is the proletariat itself that must decide whether to risk life and limb to carry it out.

Although still vague, to some extent Zinoviev has clarified his view that in the sphere of foreign policy one task of the proletariat is to move from the defensive to the offensive. Yesterday he talked about fighting with all means and about using bayonets in defence against the Entente governments. It would be totally impossible in such a situation for anyone other than the masses themselves, those who have to risk their necks, to make the decision, not any leader. And these masses can only make a decision if the questions they face are discussed fully and freely and are not put to them by leaders dependent on others or by a press that has been gagged. You have represented the council system, and if you now force these statutes on us then that means the end of the party's independence, the end of the trade unions and the end of the councils' movement. (Uproar from the left)

On 9 November we were an insignificant minority and earlier, during the war, we were even less significant. And at that time we said to the right-wing socialists: whether you are a minority or a majority, in these questions it is your duty as socialists to defend your convictions. And I insist upon upholding that principle today. I remember the words of Schopenhauer's introduction to his works: *Magna vis veritatis et praevalerebit* [which means] great is the power of truth and the truth will prevail! And I am convinced of this power; the truth will be victorious! (Thunderous applause from the right.)

I tell you, comrades, when it concerns Germany's involvement in war or peace only the German proletariat is called upon to make the decision. Now the *Rote Fahne* asserts: Poland defeated Russia because the German proletariat did not do its duty by leading a war against the Entente. That was in yesterday's *Rote Fahne* and today it appeared in the *Hamburger Volkszeitung*. (Uproar on the left) I won't talk about Russia's Polish policy, but it is completely in character that, against the very insightful advice of Polish Communists, some members of the Third International pursued just that policy against which the Polish Communists had warned. But the [Poles] had no right to co-determine the

policy. A few men in Moscow made the policy. (Uproar on the left. Thunderous applause from the right) I won't talk about how this policy led to the signing of a peace treaty whose content is the opposite of that for which we all had hoped. I won't talk about whether or not this policy was really one that allowed no objections. I won't talk about whether one had cherished illusions about Poland and Germany. I believe that one can only judge these things if one has seen them close up. I won't talk about them further. But if someone here had cherished illusions about this situation, in a country located close by and under conditions that were well understood, then how enormous the illusion must be in situations which don't develop as clearly as here.

It was also said that it was the German proletariat's fault that the war was lost and it was also clearly repeated at all Communist Party assemblies that we should go to war right now with France. This view was even put forward in an especially interesting modified form, in which very influential people asserted that this war must be started by the bourgeois government. One must make use of nationalist sentiment when the French occupy the Ruhr Valley. One must drive the bourgeois government forward to overthrow it during the course of the war. (Interruption by Adolf Hoffmann: Who said that? – Interruption from the right: That's what the whole Communist Party said! Just ask Zinoviev!) That, and nothing else is the real content of these organisational statutes. It is just a fact that we would no longer determine our own politics, that we would no longer be able to ascertain our own situation or to make judgments about what to do under conditions that only we are in a position to judge, not because we are smarter or more far seeing, but simply because the only one who can do politics is the one who can survey the battlefield and because he is the one primarily engaged on the field of battle. (Shout from the left: From the editorial office of *Freiheit*!)

I will limit myself here to what I've [already] said about the [Twenty One] Conditions and now turn my attention to that part of Zinoviev's speech where, toward the end, he expressed himself about them. Note that in this speech Zinoviev did not refer to us anymore as 'counterrevolutionaries', 'social traitors', 'rogues', or 'swindlers', etc., as he did in the pamphlet that was distributed here. (Unrest on the left) I thank him for holding back, which must have been difficult for him. (Uproar on the left) But, anyway, the first part of the speech was still halfway in line with the politics pursued by the Executive Committee and Zinoviev until yesterday. Zinoviev told us the Conditions are so harsh because they are a means of distinguishing whether or not we are true Communists. Our rejection of them would simultaneously be a sign of our depravity. These Conditions had emerged from the need to be distrustful and it is necessary to emphatically stress this mistrust. He asserted that we must set

such harsh conditions and we are able to do it, because splitting the parties, tearing them asunder, is necessary and good. (Hear! Hear! From the right)

I don't know if Zinoviev's wish will be partially fulfilled today. But I am convinced that, in the end, this wish will be realised very differently than the Russian Communists can imagine. For the moment we see that there is, indeed, a reaction to the Twenty-One Conditions, but it is a sour one. The Swiss party leadership has rejected them, because it viewed them as impossible to fulfil. This is the same party leadership that earlier had decided to affiliate with the Third International. Before the Conditions were issued, it had recommended unconditional affiliation, but a vote of the party disavowed that decision. The same party leadership that had supported an unconditional affiliation today rejects these conditions as impossible to fulfil. It has decided that it must demand a revision of the Conditions in agreement with the other parties that have left the Second International and want to join the Third. The American Party has also said no and the outstanding leader of the party, Comrade Eugene Debs, who has been sitting in jail for years because of his opposition to the war, has declared that he cannot join the Third International because these conditions amount to a complete reversal of the substance of the ideals upon which the International was based. Earlier, the International was created by organisations from individual countries. Now the International is attempting to form sections within individual states. The Independent [Labour Party] workers in England have declared that they cannot accept the conditions. The Norwegian trade unions are now having a discussion in which their most outstanding leaders assert that they cannot agree with the Third International. As is true here, in Italy the party is in crisis. The Twenty-One Conditions encounter great opposition. The right wing declares them unacceptable and it is likely that the party will split.

Zinoviev views this division as useful and good. But suddenly he concluded his speech with the notable assertion that we should make a new offer; we should verbally and in written form explain the points with which we disagree. We can talk about them [he says]. (Shout from Crispin: Fear of your own courage!) Perhaps Zinoviev earlier had pointed out that the conditions were not so harsh in order to create the right frame of mind. Any leader of the right wing, with perhaps a few exceptions, had the right to request merciful acceptance by Moscow later on. In Moscow, even if we rejected the terms, we could declare that our rejection is not fundamental. Now, once the majority has made its decision, we would be allowed to request to remain in the party and not be expelled. Maybe then we will even have their trust. (Laughter on the right.) Zinoviev erred completely in his psychological appraisal of us and of Western European psychology. I truly doubt, even if he has had certain

experiences in Russia, that such requests of clemency would be made. In our view, anyone who has to make a decision about a responsible post in our party cannot be a foreign comrade or a foreign committee, but rather the mass membership of the party must decide. (Lively applause from the right and left) I see that you agree with us even on this side. And when we have an argument in Berlin, you will see whether I live up to this standard. In any case I am not used to abandoning my view without the other side converting me to another one. Aren't any of them aware of how undignified such an expectation is for our party comrades? Should Ledebour appeal to Zinoviev for a responsible job? (Lively applause from the right. Tumult on the left) That's nonsense! I think he'd say that he would not give a rap for any such granting of mercy and to speak plainly, comrades, none of us give a rap. (Stormy applause on the right. Uproar on the left)

If Zinoviev wants to create the bases for new negotiations and says these conditions were created out of mistrust, then I would answer him as follows: In the International we want a comradely concentration of the working class forces of all countries that is based on trust. (Stormy applause from the right) That is our firm conviction. And now I'll tell you what your offer means. The offer was made suddenly. We've been discussing matters for months. Our comrades were in Moscow months ago for negotiations. It is very interesting that suddenly Zinoviev can change his mind, and that is interesting because it confirms the view of Crispin and Dittmann that, if Däumig and Stoecker had practised solidarity, then these conditions from Moscow would have been impossible. (Lively applause from the right. Grumbling on the left)

And now I ask Zinoviev: How is it legitimate for you to make such an offer? (Very true! From the right.) You are the President of the Executive. Did the Executive Committee grant you the power to alter the conditions? (Hear! Hear!) Did the Executive Committee do that at the same meeting (I assume it was the meeting before your departure) in which it called us 'swindlers', 'thugs', and 'traitors'? I ask Zinoviev, who commissioned him to renew negotiations with these 'swindlers', 'thugs', and 'traitors'? I must raise this question. My personal view is that you made this decision only yesterday after having spent some time in the atmosphere of a Western European party. (Shout from the left: academic bullshitter!) Should I assume that the debates here have convinced you that we are not the people you claim we are? (Very good!) I don't believe that and I don't believe it because Zinoviev himself said something so extraordinarily characteristic of this method of fighting internal party battles with poisonous weapons. (Very true! On the contrary!) He told us, don't be so sensitive, that's just the tone and you don't have to take that so seriously. (Very true!) I think that Zinoviev doesn't mean it at all when he calls us 'swindlers'; he doesn't mean it

when he calls us ‘thugs’ and ‘social traitors’. (Shout: The German workers!) But comrades, if he doesn’t mean it so seriously, if it is only the tone, a poorly chosen tone, then it is even worse. (Very true!) The consequences are damned serious. We see the consequences here, as the party is about to split. We see them out there in that using this method the workers are agitated against all of the party’s officials. What you are doing to us today will be done to you tomorrow by the Communist workers. (Very true! Handclapping on the right.) Those are disgraceful and damaging methods and they must, therefore, be rejected. It is a crime when one expects the German working class to resort to such methods. (Bravo! Handclapping on the right.) With this agitation against the leaders and stewards of the working class you are wreaking havoc and opening the door to political adventurers and charlatans. (Handclapping on the right. Shout: Poor Hilferding!) Now I ask you, do we accept this tone or the offer of negotiations? I would like to clarify one thing. We don’t want to play the game that occurred in France with the new conditions and the twenty-one points. (Exactly right!) I want to say expressly that we all feel bound in international solidarity with our friends in the French Socialist Party and that what Longuet* said there is also true for us. (Exactly right!) We don’t accept any conditions that would be more favourable for us than for other parties. (Very true!) Our sense of solidarity forbids that. (Exactly right!)

But what does the offer out of Zinoviev’s mouth mean? He cannot speak – at least he didn’t say he could – in the name of the Executive Committee, but when he speaks in its name, then these Conditions are accepted by the congress. (Exactly right!) They only can be changed by a future congress and, after the experiences we’ve had here with the sharpening of the Conditions, after the ‘tremendous influence’ exercised by the Spanish syndicalist, Bordiga,** on the congress (Shout: Italian!), so that Lenin suddenly received such overwhelming support it caused the acceptance of the twenty-first point (Laughter.), then we clearly aren’t safe from any surprise. After all of the assurances of the Executive Committee and in spite of Zinoviev’s ‘enormous authority’ other conditions can suddenly be imposed. Therefore I say: Mistrust against mistrust. We don’t have any trust in the veracity of this offer. (Exactly right! Clapping from the right. Shouts from the left) We have no faith because the Executive Committee did everything it could during the whole discussion of the conditions to polarise the situation and to make matters in our party so difficult that the split had

* Jean Longuet (1876–1938) was a leader of the French Socialist party. He was also the fifth son of Charles Longuet and Jenny Longuet, who was the oldest daughter of Karl and Jenny Marx.

** Amadeo Bordiga (1889–1970) was a leading figure on the left wing of the Italian Socialist Party and became a co-founder of the Italian Communist Party.

to occur. (Very true!) If now a new offer comes from that side, then I say it is a manoeuvre to execute the split under more favourable conditions. (Exactly right!)

We should negotiate, while in the meantime you undermine this party congress. Yes, [and] what will you do now? [Will you] disavow Zinoviev's offer or your own resolution. You can't vote for the resolution that demands the Twenty-One Points. Indeed, Zinoviev is an opponent of the Twenty-One Points. (Mirth on the right. Disorder) He is ready to once again take up the Twenty-One Points in negotiations. Apparently during his short stay in Germany he must have convinced himself that the Twenty-One Points cannot be maintained as they stand. (Exactly right!) You cannot vote for your resolution because in doing so you undermine Zinoviev's offer. (Disorder. Movement. The chairman rings the bell) I'm not talking here about your tactics. That's not my affair and you can make matters worse on your own. (Laughter) If you stick with the Twenty-One Points, then there is nothing more to be said since you yourselves are disavowing Zinoviev. But you will have to decide for yourselves who will disavow whom. (Very good! Shout from the left: But the theses and principles!) That's it exactly. And I say to the heckler, when it comes to the Conditions, we can talk about everything other [than principles]. (Hoffman interjects: Then get out of the way! Exactly right! – Comrade Hoffman shouts: Then get them out of the way ... – Shout: Stoecker! – Shout: Scheidemann!*) If you accept the Conditions, then Zinoviev's offer becomes even more meaningless than if we continue negotiating. You elect a new leadership, and with your help, it throws us out of the party. That means that you want to kill us off quietly one after another. (Applause from the right.) You want to drive us out of the party one by one. (Hoffmann shouts: That doesn't pay!) And when it has gone that far, then you will see that the great mass of the working class will follow us (Applause from the right. Objection from the left and continued disorder) and you will be deprived of the fruit of the whole split.

This offer is nothing other than a new manoeuvre to bring about a split. It is merely a new ruse in order to sow division between us wherever possible, (Shout: It's already there!), to split us apart, in order to pursue a somewhat better politics perhaps just in the nick of time. But that is a delusion. It is a plan that we can see through and that we will frustrate. (Very good!) We will frustrate it by telling you openly and honestly – even though it is superfluous –

* The German text reads: 'Zuruf Hoffmann: Da gehen Sie aus dem Wege! Sehr richtig! – Genosse Hoffman ruft: Da gehen sie aus dem Wege, aber "sie" klein geschrieben. – Zuruf: Stoecker! Zuruf: Scheidemann!'

what this is all about. I assert that it is completely superfluous because you are already familiar with everything; it has all been expressed repeatedly, also in our resolution. In our resolution we have asserted that we, the signatories, Comrade Ledebour and others, remain convinced that the Independent Social Democratic Party of Germany should join (the Third International) on the basis of our Action Programme and under the guarantee that the USPD can continue to control its own internal affairs and determine its own tactics. With these principles as our starting point, we answer the query of the representatives of the Executive Committee of the Third International about which conditions for our joining are unacceptable, as we have done clearly and meticulously in our resolution. It is unacceptable:

- For the conditions of admission to require the elimination of affiliated parties' independence.
- To demand the destruction of the Trade Union International as well as the expulsion of a multitude of party comrades who reject such demands by the Communist International on principle (paragraph 21).
- To demand the unconditional subordination of the national parties to the central leadership of an international organisation. This is incompatible with the great diversity of economic, cultural, and political conditions in individual countries. This subordination contradicts the basic character of proletarian class struggle, which over the long haul must be driven by the participation of the masses in free exchange of views. The destruction of the Trade Union International, demanded in paragraph ten of the Condition of Admission, entirely destroys the proletarian movement for emancipation's ability to act.

The demand for expulsions splits the party, paralyses it, and damages the revolutionary movement most severely. According to paragraph 17, whoever accepts the conditions also is duty bound to join the German Communist Party (a section of the Communist Third International).

That is what we have to say to the representatives of the Executive Committee and we declare it clearly and openly even though we know very well that this declaration can no longer change anything. The decision to destroy the USPD has been taken and implemented here. (Very true! from the right. Heckling from the left)

It is possible that, personally, Zinoviev now sees that the tactics that he has pursued have not been successful and that they never can be as successful among the Western European parties as the Russian comrades have hoped for and expected. But in my view this insight comes too late. (Very true!) There was

time for that during the long and heated discussion, which, from the outset, our side carried on articulately and clearly. (Objection from the left) I think that, nevertheless, Zinoviev has every reason to be disappointed. I told you how a storm of rejection has emanated from the Western European workers' parties and it will remain this way because the Conditions contradict the essence of the Western European workers' movements. We won't create an international able to take action if we are not as closely bound to the Western European parties as we are to those united in the Third International. We won't do it because we are unable to act internationally without both great pillars of the European and international labour movement, without the English and the German proletariat. You might think what you want about Russian conditions and judge their effects as you like, [but] in Western Europe, where we don't have state power but are now engaged in the fight to conquer it, economic conditions are decisive. The workers' movements that have developed in the individual states make the decisions there and the German and English workers' movements make the decisions in the countries where capitalism is most advanced.

And how do things look? The English labour movement is still intact because the 'yellow' trade unionists there, as Zinoviev disparagingly calls them, have experienced a tremendous radicalisation both in their own consciousness and in the consciousness in the masses they lead, because luckily these unionists still enjoy unreduced authority. Matters are gloomier in the German labour movement and for that reason we have to take care that the trade union movement, the branch of labour that remains intact, is not torn asunder. And how do things look among the proletarian parties? When I take another look at this assembly and I see comrades on both sides of the room with whom we have stood together, with whom we have often had differences, and with whom we have repeatedly worked things out in the interest of the party. (Very true!) Then I ask: Aren't you now all overcome with a feeling that something incomprehensible, something crazy, is taking place here? (Very true! Heckling from the left) We have always been able to come to an understanding and we could do that, because we agreed on particular actions. But when struggle arose about theoretical matters or personal views, then there [was] no agreement. It was destiny; it was infernal fate that you now find a formula in our party about which we can scarcely agree.

And I ask you one thing: If you want to be open, then you will confirm for me that three months ago hardly any of you would have thought that within such a brief time you would vote to expel comrades like Ledebour or Crispien. (Disorder on the left: Objections – first check!) None of you had the idea and never did any of your spokesmen demand that we adopt such a form of organisation that Moscow now imposes on us. I remind you to think

about the party congress in Leipzig, about the stormy applause that followed Crispian's speech on the *Action Programme*. Think about how we all struggled for party unity and how we then went forth from the congress conscious of the fact that it was a difficult task, but it was solved, and the party can leave this congress strengthened for a new struggle, strengthened for the struggle with the bourgeoisie.

And today? If we have to depart from this congress without solving the problems before us, then this is not a congress that builds strength but one from which no one emerged the winner. There is only one loser: the revolutionary German labour movement. (Very good! Applause on the right.) Comrades! A revolutionary proletarian policy is the concentration of the proletariat, the unity of action, and (turning to the left) you are splitting the proletariat. You are playing the revolutionary cause right into the hands of the counterrevolutionaries. (Bravo! handclapping and stamping of feet from the right. Long-lasting applause)

Rudolf Hilferding 'Revolutionäre Politik oder Machtillusionen? Rede gegen Sinowjew auf dem Parteitag der USPD Halle', in Cora Stephan (1982), *Zwischen den Stühlen oder über die Unvereinbarkeit von Theorie und Praxis*, Bonn: Verlag J.H.W. Dietz, 135–65.

Karl Renner

The Crisis of Socialism (1916)

Pressing daily work makes it impossible for me to dedicate as much time to my contributions to *Der Kampf* as in the first half of last year. At that time, using the social teachings of Marxism as my tools, I attempted to make the terrible tragedy of this war and its significance to the contemporary epoch and for the future understandable to readers. I also attempted to explain the practical position taken by the proletariat around the world in respect to the war. Some misunderstandings, in part attributable to the censor, make it necessary for me to summarise these works and, in light of the criticism they have encountered, especially by Karl Kautsky, to publish them as a book. The polemic with Karl Kautsky, who is an esteemed teacher to me and to us all, is beyond the scope of a journal essay. I cannot expect him to consider his ideas refuted on the basis of a few short literary turns of phrase, but I now declare to all of our readers that his casual remarks about my works have in no way moved me, never mind shaken my convictions. He and I will have to draw each other out much further in order to work through the issues that have arisen between us.

But my conscience now commands me to raise objections to the way Rudolf Hilferding has treated ‘The Conflict in German Social Democracy’ in *Der Kampf*.

Of course Hilferding is free to give an account of his political adherence to the tactical current represented by Liebknecht and Ströbl (sic) within the imperial German brother party.* His article bears witness to his turn as an individual to a tendency, which in the framework of our party’s development I regard as thoroughly *reactionary*, but I cannot accept it as a *scientific* report

* Karl Liebknecht (1871–1919) was a lawyer, parliamentarian, and leading figure on the Social Democratic left before 1914 and one of the most prominent opponents of the SPD’s wartime policy. He was the first Reichstag delegate to vote against granting war credits to the government in December of 1914 and, with Rosa Luxemburg and others, he was a co-founder of the Spartacus League, which occupied the left wing of the USPD and became the nucleus of the German Communist Party, which he also helped co-found in December, 1918. Along with Rosa Luxemburg, he was murdered by counterrevolutionary Freikorps troops following a failed uprising in Berlin in January 1919.

Heinrich Ströbel (1869–1944) was an editor of the SPD’s flagship newspaper, *Vorwärts*, from 1908 until 1916. Opposed to the war, he was stripped of his post and joined the USPD in 1917.

about the class-conscious German workers' movement. Up until now such one-sided professions of faith were unusual in *Der Kampf*. Here we were used to Otto Bauer reporting to us on Social Democracy's intellectual movements and disputes in his extraordinary style. In discussing the principles and goals of movements he condemned, he was very careful to be fair and he always spurned fanfares for factions and sects in this scientific journal. There is little trace of this familiar spirit in Hilferding's essay.

He describes Liebknecht and Ströbl's (sic) tactical tendency, which is grouped around the current editorial board of *Vorwärts*, with the label: 'We Marxists', although he knows very well that a number of Marxist thinkers stand on the right and another group in the middle, where they represent the view followed by the party as a whole. It simply won't do 'to see Kautsky as the intellectual representative of German Socialism since the death of Engels and Bebel', while ignoring Mehring, Bernstein, Cunow, David, and Heine. Marx's inheritance is not an estate granted to specific people and a whole republic of scholars cultivates it today. I will gratefully cherish Kautsky even if I don't share his view about some question, but I don't ignore the fact that his thoroughly fruitful scholarship neither dominates all fields of socialism nor could he force all thinkers into his circle who happily and fully adhere to Marx. Probably, yes certainly, that is beyond the power of any human and we have this tiresome circumstance to thank [for the fact] that within Marxism man stands against man, community against community, and the exasperating dispute finds no end. There is no shortage of disputants, but we lack the man, whether of genius or of character, capable of bringing the groups together and keeping the brawlers under control. Kautsky was not able to do it; he himself had divided more than united.

The left's sole claim to Karl Marx does not correspond with objective truth at all. Cunow, whose Marxist *historical perspective* no one can deny, along with others occupies a centrist position in the executive committee that is just as far from Kolb's* as it is from Liebknecht's. In all my essays I have agreed with the general practical outlook of the German party without it ever entering my mind to go along with Kolb even as far as with Heine.** In that regard I have the subjective certainty to act just as Otto Bauer would if he were among us

* Wilhelm Kolb (1870–1918) was a major exponent of reformism in the SPD prior to the war. During the war he supported the Bürgfrieden and called for the transformation of the SPD from a workers' into a cross-class people's party.

** Wolfgang Heine (1861–1944) was a leading Social Democratic jurist who served in the Reichstag from 1898–1918. An important leader of the SPD's reformist wing, he supported the Party leadership's wartime policy.

and not in Siberia. Otto Bauer and I have the well-earned right to call ourselves Marxists – not to even mention Victor Adler.

One should not place too much weight on the fact that the conceptions advanced by the *Vorwärts* group in many respects directly contradict the views passed down from Karl Marx and Friedrich Engels. This is true, for example, regarding their judgment of *Tsarism*, of the *Polish question*, of the *military draft*, of the *assessment of Belgian neutrality*, of *peace* at any price, of *war* as an historical factor, and even of the *historical position of the German nation*. In all these cases the left rejects the views held by the old ones, whether rightly or not is left open. But one rejection is worth the other. Bernstein earlier and now the right believe other points of Marx's system of thought are obsolete without it entering their minds to discard the whole structure or just its basic principles. Both sides commit the sin of calling for a witch trial and transforming joint research and a planned division of labour into an annoying and righteous quarrel. If the intellectuals who are called to bring science to the masses would have been less unrestrained and more patient, then the proletariat would not have such a dislike of science. Marxism's representatives in Germany surely bear most of the blame for the deplorable discrediting of Marxism.

In the sectarian polemic that Hilferding published in *Der Kampf* – in the borrowed name of genuine Marxism – he is not remotely fair to the German party. The party is the organised mass of party comrades represented by the Executive Committee and the Reichstag delegation. Like the Liebknecht-Ströbl (sic) tendency, he begins with 4 August, the supposed moment of humanity's fall, which burdens the party like an inextinguishable original sin. In this vote he sees '*the psychological effect of the outbreak of the war*', an action which could appear to still lie '*in the spirit of socialist ideology*' (defensive war, Tsarism), but which soon degenerated '*into a kind of sanction for the war*'. '*The sanctioning* of the official and semi-official representations of the war's causes and the sole stress on *the guilt of foreign powers* took the place of the general guilt of the capitalist system'.

I now assert that to the mass of the German working class and to the majority of the members of the executive committee and of the Reichstag delegation it was never, either on 4 August or later, about one of these things.

It was not the psychological aftereffects of the warmongering of others that moved them, but it was something else. They did not act according to this or that correct or false ideology, and they would have been badly advised if they had let themselves be guided by ideology. They neither sought to apportion blame for the war nor did they express the intention to acquit a guilty party, because at that time they had neither the time nor the power to exercise *the*

function of a judge. They sanctioned neither war in general, nor this war in particular, nor any type of causes of the war.

Neither did the German workers have to 'withstand' any kind of moral or intellectual 'storm' as a test of their psychology or ideology, nor did they have to make judgments as father confessors or judges, nor did they as sovereigns have anything to sanction, like all those believe, who see in a part either a school of scholars or a standing court of inquisition. *They simply had two practical matters to decide:*

1. *Has war come?* Is it true or not that million-strong armies have crossed the border to destroy cities and villages, to break up the state, and to threaten to annihilate the economic bases of the whole people? Has this terrible hour of danger arrived or not? – And they could not say no unless they were fools or insane. And the war could neither be hindered nor limited any longer – they knew that very well because for many years they had vainly given their all to do that.
2. *What is to be done?* – To decide about that did not mean to vote, as in parliament, to take this or that position before history. To think about one's self would have been low. The workers outside, their life and property, their economic and social being, their future, had to be and was considered. The war had to be taken not as theory nor as an ethical phenomenon but as the reality it is: killing and destroying, murder, and arson, not as a mere figure of speech for assemblies, but as reality. What should happen when homesteads, fields, and factories are destroyed, when inhabitants flee the country, when the first troop contingents, our dear brothers, exchange the first volleys?

And they decided: In the hour of danger we won't leave our fatherland in the lurch!

That is how it was then and that is how it is today. Yes, this danger gets larger from month to month – in spite of our pushing back the enemy – and from month to month the decision for the defeated people becomes even more catastrophic!

And he who carps about this crystal clear judgment of the facts and the decision to act and who talks about a sanction is not fair to the party. After having declared it logical, I would like to illustrate the situation and the decision taken with an example. [William] Tell, who kills the governor on the open highway, doesn't leave him in the lurch in the storm – who or what would he sanction by doing that? Or what psychological storm does he fail to withstand or to what false ideology does he succumb? Those would be literary or aesthetic readings of a heroic act, which is heroic because it is accomplished not only for

himself and his family, but also when the political opponent has a part in it. Because it is the hour of need!

We are talking here about a positive act – simply letting matters stand drives no enemy from the field. The will to self-defence must be positively set; the man in the trenches should know that as a soldier he must defend his country with just as clear a conscience as he, with his party, bears for the war: Like Tell masterfully steering the governor's ship, the positive vote for war credits makes sense. Only the malicious, or ignorant, or small-minded would accept the idea that Tell [would] forget, forgive, get chummy, and sanction! Initially, Tell saves the governor and pushes back the reckoning until later, but he does not covet the cowardly satisfaction that the storm or the waves or the French or the English will settle accounts with him. Justification before the country *remains our concern, but it is concern for tomorrow.*

It is true that on the party's right are people, mostly intellectuals of a different type and temperament – one must add – who, too small for the whole tragedy of this heroic act, began to speculate about it. But I know from the frequent discussions between the German and Austrian party executives that the core of the [German] executive, men from the working class itself like Ebert, Scheidemann,* and Müller,** who as a result of their being overburdened with work are not so quick to the draw with word and pen as the intellectuals of the left and right, were not and are not for a moment willing to sacrifice the independence of proletarian politics, the class struggle, and the international idea.

They are not subject to the dictatorship of the right wing or of the left, but they are subject to the *dictatorship of the people's and the country's needs*. To stick with our illustration: Tell also engages in the class struggle of the free peasants against the knights – where is his class struggle while steering the governor's ship – except perhaps in his moral war and victory over him? Of

* Philipp Scheidemann (1865–1939) was elected to the SPD Executive Committee in 1912 and became co-Chair of its Reichstag delegation in 1913. A supporter of the party leadership's wartime policy, during the collapse of the Kaiser's regime and the revolution he was a major figure in German politics, serving, for example, as a member of the Provisional Government and later as 'Minister President' (Chancellor) in the first cabinet created by Friedrich Ebert after the National Assembly began meeting in February 1919.

** Hermann Müller (1876–1931) was an SPD journalist, party functionary, and leading parliamentarian. A member of the Party Executive after 1906, he occupied a centrist position in internal party politics. A supporter of the Burgfrieden, he leaned toward the party's right during the war. After the revolution he served as Foreign Minister under Gustav Bauer and twice became Chancellor (1920, 1928–30).

course, this comparison does not cover the full scope of the party's situation, but it gets at the main thing.

The left acts as if somebody feels that the civil peace or the sacred unity is a freely chosen happy condition desired by the oppressed or even only by the country's rulers, while both sides accept it as a result of necessity. The Junkers are no less reluctant about it than our own people. If there are really people on the right who see it differently, Hilferding [should] direct his polemic against them and not against the majority and not against the party as a whole.

In regard to the parliamentary vote, however, it is only a symptom of our will to act made prominent by the tribune, but it is not the most significant thing. Everywhere, in all the states, towns, and villages, in all councils and institutions, comrades spontaneously set to work providing help. They immediately sat down with their most hateful enemies at the discussion table, then and now, because it concerned the people and the country. It is an old proletarian tradition to put out a fire even when the master's house is burning as if it were your own! And today's wars are no longer superficial upheavals; they penetrate every cottage and touch every man. They are not just agricultural wars that destroy the ground upon which they are fought, but they touch every last workplace far from the battlefield. It is sad, and for the proletariat it is tragic, but it's a fact.

Hilferding's criticism of the German party, therefore, is not objective, because he – unlike Friedrich Adler, who goes directly into court with the Social Democrats of all lands that are at war – illustrates the supposed shortcomings of the German party without conscientiously showing that not only it, but all parties, all the proletariats of the countries that went to war, behaved in the same way. Here a Marxist would have truly had reason to prick up his ears and to ask about the deep economic causes of such a general and uniform phenomenon. But Hilferding silently glosses over the fact that, except for a tiny minority, *the English and French working class has made itself into a supporter of the war through its shop stewards, which the German party has never done. He thereby suppresses the second and more tragic predicament. The more visible that becomes, then the German working class has even less of a choice.* One declaims a lot in the Entente about democracy and socialism, but the French and English workers are not coming to free the German workers. On the contrary, *in France and England it is as much the bourgeoisies that are pursuing their capitalist interests in the war, and their history proves that they understand very well about conquests!* What a paradox it is to carry out a decades-long class struggle for economic and political freedom against your own bourgeoisie in order, willingly or unthinkingly, ultimately to bring the economic and political yoke of a foreign bourgeoisie, the misery of defeat, and the poverty of foreign domina-

tion down upon yourself. After everything that has happened in the East and the West, is it really courageous to conceal that it is the ruling classes of those countries that drive our trading vessels from the sea and our commodities from the markets of the world? No trial over guilt now can save us from the danger, no guilty verdict puts the bullets back into their barrels: *That is the real decision!*

But, with regard to the International, the party could and would have had to act differently! Back to the International, forward to Zimmerwald! Whoever talks this way is duty bound to provide evidence that the French and English working class would have acted in the same way. Because in the space and days and hours it was also a matter of life and death, it is simply not enough to expect that security is a given. International action must be international! Show us, then, where there was even a conditional will for simultaneous action! It will no longer do to conceal that, before the outbreak of the war, the German party executive sent a member, Müller, to Paris with the aim of bringing the parliamentary views of both parties into line – an effort that failed for external and internal reasons. But the German party executive was the only one that at least made the attempt. From the war's outset, the executive committees of the German and the Austrian parties were the only ones who pressed for a meeting of the bureau of the international and were ready to negotiate. The French repeatedly said no. That can be documented. Our parties have repeatedly proclaimed their desire for peace in the most solemn way. Where is the echo? While the German delegation never said more than that it did not 'want to leave the fatherland in the lurch', the French and the English joined their [respective] governments and even took over the Ministry of Armaments. As long as the left cannot marshal evidence that this is all a fable, it does not have the right to expect a change in the tactic of the party majority.

We are not talking here about ideologies, but about facts that force action. All along the line we are dealing with emergency actions. Relieve the working class of the emergency and it would have the space to take different actions and it will do it gladly. To speak of 'opportunism', of an 'opportunist tactic', of 'mistakes', and of 'errors' in the face of this tragic compulsion reminds us of the unctuous words of encouragement from the lazy observer of a fire: The saying might be right out of the bible and yet it still works like a challenge.

The fact that the proletariats of all the warring states spontaneously, apparently contrary to agreement and yet as if they were in agreement, made the cause of the people and country their own, challenges the entirety of traditional socialist thinking and rightly torments its conscience. We can discern very little of this torment among the French; we see most of it among the Germans, who thereby prove that their socialist training went deeper than among

all other peoples. This spontaneous similarity of action belongs to history and also requires an explanation. In a certain sense Marxism is the teaching of proletarian mass action, the science that understands and explains the movements of the working class and so enlightens the working class about itself so that it acts not just instinctively, but consciously. Individuals can make mistakes and be censured – but when the proletariats of all of Europe have acted spontaneously and in overwhelming unanimity, not in small matters but in one of the greatest historical crises, when this action is already history, then the effort to carry out a retroactive trial based on its betrayal of a traditional ‘ideology’ does not reveal the true spirit of science, but rather the annoyance of the pedant whom one did not follow.

In my view, Marxists face two problems: First to explain the compelling reasons why *the masses, without exception*, from the smallest community and auxiliary action to the parliament and army, put themselves at the disposal of their country. [Such] reasons as the petty bourgeois way of life within the party, the leaders’ fear of losing their positions, worry about funds, and inborn servility, are so far below the level of the working class that they will not be taken seriously here. It is precisely the calling of the proletariat to take risks with life and limb every hour of every day. In this class there is little room for cowardice and its leading men are overwhelmingly battle tested so that certifying their courage before such accusers is unnecessary. There must be deeper reasons that have guided the European proletariats. The second question, however, reads: If the special solidarity of each one with his people and country is a fact, then what about international solidarity and the common pledge of peace.

Because the second question is so deeply serious and because it rightly moves a part of the left of all countries and is the most intimate driver of its unrest, everyone inside the party should listen to the left with respect as long as it questions with respect, refrains from distortions and slander, and does not desire to smash the party of the proletariat – its only political weapon – to bits. In the tragic conflict between national solidarity and the international class community it represents the latter at the expense of the former, but its mistake is more forgivable than the other one, which believes it has to abandon the idea of the international in the name of national solidarity. Equally good socialists can be found on both extremes, yes, even good Marxists, only both sides are *one sided*.

Above all the times are long in the past when the proletariat was a small minority outside of the strata of bourgeois society, a small courtyard, as it were, of an extensive social structure of which nine-tenths consisted of the army, big and petty bourgeois, and peasants. The situation is now reversed: The

proletariat is the most numerous class of every commonwealth and is often its main support. The old bourgeois order had regarded the proletariat as an unnecessary, perverted scab on the body of society. In the highly industrialised states the proletariat regards itself as the real body of the people and the exploiters as parasites. The more the proletariat advances, the more identical it becomes to the community in which it lives. Every danger that threatens the community, is also all the more threatening to the working classes and to *them most directly*. They are in this contradictory situation because the advantages of the commonwealth flow largely, though not exclusively, to the dominant classes, while the disadvantages accrue to them. Assume that a lawless and tyrannical government tormented the proletariat of a country and that a neighbour wanted to 'liberate' it through war. Defeat would strike with destruction and impoverishment but it would be mainly a defeat of the proletariat. The theorists of the left forget that the political emancipation of the proletariat, social democracy, can only be realised from the ripe tree of capitalist development, not from stunted scrub of a shattered economy! Such an attempt at liberation reminds me of the bear which kills a gadfly on the forehead of a sleeping monk with a brick and thereby kills the monk as well. Because every war today takes the whole people and all the national wealth into its service, *one can't compare them with earlier wars in which basically one lord hunted down the other in order to take his place and to rule over the body politic, which by and large remained unaffected by the change.*

With advancing industrialisation we must increasingly expect that the fate of the proletariat of one country coincides with the fate of the state. Today's proletariat already senses: *We are the people! We are the state!* Therefore, the duty emerges from socialist theory to differentiate more sharply between the state as the people organised as a whole and the state as an instrument of domination. The English proletariat, for example, which in England is virtually the body politic, cannot be against the state as the body politic or it would be opposing itself. But it can oppose the state as an instrument of domination. The English proletariat must approve a long list of laws that impact the entire people, because it cannot vote against itself. At the same time, it positions itself in opposition to the state as an instrument of capitalist class rule and makes every effort to change it. *But that is no simple matter of making a decision and requires a long struggle and hard work.* It can scarcely change the government in the middle of a war and replace it with a different organisation. That would cast the body politic into chaos at the moment of danger. These circumstances cause the proletariats, the more mature they are, the larger they are as a proportion of the body politic, to be all the more compelled to make the state as an institution temporarily their own. In England and France representatives

of the proletariat have entered wartime governments, in Germany and Austria they have not, and in less capitalistically advanced Russia and Italy the proletariats are completely marginalised.

The simple fact that the more developed a proletariat was, the closer its representatives grew to the state's government, makes you think. Hence, the degree of closeness to the state and not the degree of distance from the state would be a mark of a class's maturity!

We perceive this astounding appearance to be a matter of fact and seek its deeper bases. They lie in the capital relation itself. Some Marxists see in it only the polarised antagonism between the capitalist and the worker – a very non-Marxist way of thinking.

It is just as wrong as the assumption that a magnet consists of north and south poles and that the piece of steel between them, which bears the north and south poles, did not even exist. In reality, however, we have a single, solid piece of steel, a whole, whose effect is polarised. If the steel melts, the poles disappear. Capital is more than and is different than the capitalist. It is initially capitalist and worker, and beyond both it is even more. It is the source of accumulation, the guarantee of future development, and according to Marx it is at the moment a social necessity, if only a transitory one. The worker is the opponent of the capitalist, but with respect to capital, worker and capitalist have the same interests in opposing landed property and pre-capitalist forms of production. A Marxist who denies the antagonism between the factory owner and the worker and wants to replace it with a permanent civil peace, is a Marxist no longer. But whoever does not wish to grasp that Marx's antithesis is followed by a synthesis, and that the owner and worker have common interests like the north and south poles have a common basis in a piece of steel, would never have been a Marxist. If the English workers and factory owners, socialists and radicals united under Lloyd George's leadership, have fought a victorious struggle against landed property, that was class struggle but not the hollowing out of the principle of class. Marxism may not be simplified to the point that the whole of human society with its thousands of linkages are reduced to two types: factory owners and workers.

It is a particular trait of war today that it decides the fate of a country's industry¹ and thus the fate of national capital as a social relation, in other words that of entrepreneurs and workers together. At the same time, except for

1 Whoever disputes that the English bourgeoisie nurtures the war and sees its main goal as the weakening of German industry and German world trade – which, by the way, it sincerely shouts out to the world every day – whoever denies that and perches upon England's hypocritical talk about Belgium and the small nations, has sat in vain at Marx's feet.

the battlefield itself, it hardly disadvantages landed property and agriculture. And that explains the at first glance astonishing fact that in all countries the rural population, like the petty bourgeoisie, is neither active nor passive and plays neither a parliamentary nor any other notable role in public opinion. The war appears to be borne solely by the industrial population with the proletariat in the foreground. And, again, the more advanced a country and a proletariat, the more closely the proletariat appears to be bound up with the war. In England the representatives of the proletariat are leading the war like an election campaign full of passion, even as recruiting officers! That makes you think: the more mature a proletariat, the more active it is in the war. And that is a fact that also has to be understood before one goes ahead and condemns it!

It cannot be denied: the larger the proportion of the proletariat in the body politic, the stronger its proportion of capital compared to business,² the larger its share of the political authority of a country, then all the greater are its shared economic and political interests and responsibilities, and all the greater is its compulsion, once a war breaks out and regardless of who is to blame, to take the hated war onto its own shoulders in the interest of the proletariat itself and to reserve the reckoning over guilt and the results of the war for the internal argument after the war.

I have tried to illustrate what exists, what really is happening, how the proletariats of England, France, Germany, and Russia have really acted, and I've shown that their attitude is only too well grounded in class relations. They had to be! And still more: The one could not behave like the other! And the much-admired attitude of the socialists in the East illustrates only that they operate amidst very simple circumstances: that they have it relatively easy. *It does not indicate more mature conditions or a higher level of party education.*

But these phenomena are, nevertheless, only one side of the matter. *The predicament of taking up the war positively in their own interest* – to want it in the judicial sense of *coactus tamen volui*³ – does not at all mean that the

2 Proportion of capital is not to be understood as co-ownership of wealth, but rather the proportion of wages next to revenue from capital. Legally, the capitalist alone disposes over capital, economically today the worker also disposes over a substantial part.

3 Renner's footnote reads: in German 'Nur gezwungen will ich, aber ich will' or 'ich will, vor allem, weil ich muss'. ('I'll only do it if I must, but I want to' or 'I want to, above all because I must'.) This compulsion is to be understood as less a legal one than one caused by economic circumstances. In England, where there was no military draft, the representatives of the working class helped create it legislatively. It would be untrue to claim that they did it happily. They had to out of economic necessity.

proletariat has gone over to the way of thinking of those, like the militarists, the nationalists, and the imperialists, for whom war, in general or this one in particular, is a part of their worldview or of their belief system.

In order to elaborate on this essential point, allow me to use an analogy. The owner is usually of the opinion that there must be a variety of classes, of rich and poor, and he carries out the class struggle against those without property as he would against rabble opposing the eternal and natural order. He does this in order to preserve class divisions. Thus the nationalist: Nations are naturally opponents and it must remain so. Their struggle is an eternal one and this war is only one link in an eternal chain of wars.

The socialist believes in class struggle, but a class-divided society is not his ideal. Class struggle is a hard necessity, but it is justified only in relation to the great goal of overcoming class antagonisms and, through struggle, of securing society's inner peace. And here, in my view, Marxists have erred in so far as they glorify class struggle in itself and proclaim class struggle to be a principle of socialism without noting that the goal and ideal of socialism is the classless, free, and unified organisation of society and the class struggle is only the stony, difficult, blood-and-tears-soaked road to the goal. Many Marxists today misunderstand the tactical problem by placing the road of struggle before the goal of peace. They thunder against dirty treason and the surrender of the struggle principle whenever the developmental level of socialism and of the emancipation of the classes allow for a goal to be achieved – in exceptional cases – through understanding and without struggle or through a temporary alliance with one layer of the bourgeoisie against a more reactionary bourgeois element. *Our principle is the social order and struggle is the means of getting there.* It is the regular but in no way the only means.

Whoever denies that lapses on the terrain of domestic politics into exactly the same evil that he castigates the nationalists for in foreign policy. For it is they who proclaim the struggle of nations as an indispensable law of nature and a unbreakable commandment and believe in neither a legal order among peoples nor in an honest balancing of interests among them without resorting to arms. This point will be enough to warn against a transformation of the rationale and the practice of class struggle into an ideology of class struggle, of Marxist science into a vulgar Marxist social chauvinism, which would have to be no less priest-ridden than any type of national chauvinism.

The characteristic differentiation of the socialist from the nationalist is that he believes a permanent legal order of peace among nations is theoretically possible and practically necessary. Through his political work he wants to bring an end to war and, working together for peace, lead humanity to the highest level of culture. That is the meaning and goal of international thought.

Naïve cosmopolitanism, as Otto Bauer accurately called it, could include the childish and Latin-school-like notion that nations and peace depend only on two things: on language and on artificial borders. Just eliminate intellectual limits through a world language and spatial limits through free trade and international peace would be established! One might think that Otto Bauer's work had taught the most superficial people that nations are closed social bodies and not just piles of differently coloured quicksand that one needs to simply bleach into one colour. And a Marxist must know very well that free trade creates the worst dependent capitalist relations between the inhabitants of all zones and climate. One nation stands in relation to another as a waged worker does to a capitalist, a producer to a trader, a debtor to a creditor, and a renter to a landlord. Thus they stand in a more or less hidden class antagonism.

At the highest level of such class antagonisms there is hostility between England and Ireland, although no customs border divides them. There is a strict divide between the United States and Great Britain, although their common language justifies no such separation. On the contrary, I claim that even if all tariffs disappeared and everyone understood Esperanto, conflicts of interest between the inhabitants of states would hardly be reduced from what they are now. They would simply shed their traditional ideological disguise and for the first time become visible as class antagonisms. Such transparency would certainly move us forward faster and would clear away obstacles, but they would not move us forward *in a positive way*. Without a positive *general organisation of the world* the antagonisms described above cannot be abolished and war cannot be eliminated.⁴ World peace can be neither achieved nor maintained through Esperanto and free trade by themselves.

Ever since the European proletariat recognised its mission for peace – earlier it was different and meant: Peace is a crime as long as freedom has not been achieved – and relegated all of its political and national efforts to domestic politics, the idea became paramount of merging the established proletarian class parties in all civilised countries together into a common guarantor of peace and to place all the established institutions of the proletarian International, the Brussels Office and the periodic congresses – in the service of world peace. The Congresses of Stuttgart, Copenhagen, and Basel gave the International, which earlier had a more narrowly conceived character and goal, the reputation or at least the appearance of being a new world power straddling

4 See for greater detail the essays, 'Der Krieg und die Internationale', 'Die Voraussetzungen und Aufgaben internationaler Aktion', and the fully suppressed essay, 'Möglichkeiten und Bürgschaften dauernden Friedens'.

all borders and standing above all nations, judging and arbitrating among them and taking responsibility for world peace. It did so in the present, in the middle of the capitalist epoch, among the ruling and enslaved peoples. It was the bold anticipation of a sublime idea; a modest beginning whose development would end in this crowning achievement.

There is nothing miraculous about this because that is how ideas generally enter into history; socialism, too, came into the world initially as a utopia.

What I now assert is that the experience of the war requires us to undergo 'the development of internationalism from utopia to science'. Until now our international organisation was nothing more than an idea and an experiment. As an idea it remained unclear because the form and the way the world could be transformed into a league of free peoples was not comprehended, although any organiser of the proletariat knows how hard it is to unite a dozen local organisations into one industrial association. As an experiment it was very primitive because its organisation was so inappropriate that its chairman, the president of a new world power, found himself transformed overnight into the minister of a exiled monarch, thereby thwarting the simplest mediating role between the parties within the International.

The utopia of internationalism failed, but *the science of internationalism is beginning*. As important as they are, the simple propaganda of the idea, the pure ideological power of the decisions of the congress, are not enough to set the world right. The world is still torn apart by capitalist contradictions, and the working class, still oppressed in every state, cannot yet impose the law of its will upon the combined states. The long historical road does not allow itself to be shortened merely by passionate effort. If the working class is not a power in the states, then it cannot be an international power. Unless capital is overcome in the workplace, its contradictions cannot be overcome in the world. *World peace cannot be achieved without having socialism at home*. For the foreseeable future, socialism is relegated to the domestic politics of each country. The policy pursued at Basel was neither wrongheaded nor false but *historically it came too early* to bring about a positive result. The open acknowledgement of that will give wings to our propaganda. We tell the working class honestly: First everyone should become socialist, conquer power in your own country and work out socialism for yourselves at home. Then you will secure world peace. It will not come any cheaper than that! If one earlier said: Peace without freedom is a crime! Today one must say: *Peace without socialism is an illusion!*

That is what Marxists formerly and consistently meant. Now all of a sudden I see yesterday's orthodox falling back into a nearly childish revisionism! Old English factory, merchant and shipping capital, which this time wants to conclude its countless wars of pillage in one large and perhaps final war for

everything, and youthful Russian capital, which does not feel satisfied on two of the world's continents, only need to put on the mask of democracy and then they pass as peaceful customers who have only the modest ambition to buy and ship German products. The sins committed today under the patient name of Karl Marx beggar description. That capitalism has become imperialism and imperialism is warlike is true here and there, and our fraternal German party has not forgotten that. But it also applies over there. And when it is the proletariat's fate to serve capital, then it is the lesser evil, unlike the Indian pariah who, besides serving the domestic ruling caste, is also a slave to the foreign master. What more can one say? Let the Central European states, just to single out one thing, pay the coalition in accordance with its desires, a billion in war reparations and for the accumulation fund. With that *any possibility of economic development* will be deferred for decades. That the converse is also true *illustrates the absolutely terrible economic situation in which the proletariats are operating.*

And exactly this predicament doubles or triples our commitment to socialism and internationalism. Without victory over capital, without an international world organisation, there can be no pledge of peace – simple pacifism, pacifist ideology, as it has been until now, cannot overcome war. And anyone who, for tactical reasons, would want to hide this basic truth would not be doing the proletariat any favours. He would not only be a revisionist, but a utopian internationalist.

About the men who have served in the party executive and in the Reichstag delegation of the German working class, the tested vanguard of international socialism, I would like to say: In the dark stress of an unprecedented time, in spite of the temptations of the left and the right, and in the midst of righteous sectarian disputes, they were well aware of the right path!

Karl Renner, 'Zur Krise des Sozialismus' 1916, *Der Kampf*, 9, 3 (March): 87–97.



What is Class Struggle? (1919)

Preliminary Remarks over the Nature of Class Warfare

Class warfare is the focal point of the theoretical and practical questions of socialism. In the critical debates, which in peacetime had already created different currents within the workers' movement and within socialism, and which in wartime had split them into various camps, every group appealed

to the dogma of class struggle. In general, the so-called minority socialist challenges the majority by accusing it of sacrificing the idea or at least laying it aside. Yet, the conflict goes beyond the boundaries of practical politics. Karl Marx sees in class warfare history's law of movement. This theoretical understanding has itself become a matter of conflict, and the question has been raised of whether there are not other driving forces that make history besides class conflict. If one wishes to gain clarity in this conflict-laden matter, then one must investigate the increasingly ambiguous concept of class struggle. Several methods can be used: one can logically derive the concept of class struggle from its theoretical foundational principles and from these logical findings raise demands for our activity, which praxis wants to regulate, so to speak, theoretically. This deductive method prevails today. On the other hand, one can clearly describe how class conflict occurs in contemporary society, and seek to discern the law from the movement itself. Such a systematic view of the praxis of class struggle will not offer much that is new in terms of details, especially for those who actually fight these battles; however, its value lies in the overview itself in which the [general] context and legal context of the whole transpire. In this way, the working class, whose representatives each do battle in a specific part of the front, becomes practically oriented about itself and the context of its struggles. This social induction initially instructs; through it we are first enabled to judge the significance of the general principles with which theoretical deduction works.

If then the attempt is made to gain an overview of the proletarian class struggle, certain remarks about the nature of the struggle must come first in order to enhance and facilitate our understanding. I leave out, thereby, the polemic with individual authors, the accumulation of quotes and references from older writings, not only for reasons of space but on principle. They would create here more confusion than clarity.

The class struggle is a scientific discovery by Karl Marx, which occurred at roughly the same time that Charles Darwin discovered the struggle for existence. Darwin's struggle for existence encompasses individuals as well as the species of the animate world, and occurs unconsciously in the world of plants and animals. One can recognise in class struggle a higher plane of the struggle for existence, a struggle for existence that is manifested through the human consciousness as a psychological fact, and through the social consciousness in particular. The conscious and societal nature of this struggle differentiates it from the processes of the animal world, a difference, which is either overlooked by natural scientists or only minimally observed. In any case there are border areas between the purely natural struggle for the existence of the individual or the species and the struggle of the classes. To begin with, one can maintain

that every human individual by the impetus of self-preservation conducts his individual struggle for existence, even in the midst of society. Thus, the worker competes with his immediate neighbour in the struggle for existence when he enters into the struggle for a job. Only the recognition that the goal of security and the extension of his existence are better realised in the community with his class comrades makes him ready for the class struggle. This understanding can lie dormant, and it can awaken largely instinctually with unexpected societal developments, but it also can be incubated and strengthened through education. In every instance individual egoism and class egoism fight for the will of the worker and one of the two finally wins. Consequently, the action of a class is sometimes instinctive (the eruption of the feeling of solidarity, acts of solidarity) and sometimes conscious (mass action). Recognition of class solidarity can be so intensified that even within an individual egoism class interests prove to be more powerful than individual egoism (heroism with the class struggle). The heroic single action can contribute more to awaken class struggle in certain conditions than systematic class education. Out of these psychological contexts, which we only touch upon here, follows the significance of education, i.e., of propaganda and educational work, to class-consciousness.

Still, as a rule, mere class-consciousness does not suffice for conscious mass action. If the mass relies upon mere consciousness alone, in every individual case and in every individual the struggle over motives remains open. That means there is a fearful vacillation between individual and class-consciousness. Only in quite straightforward and generally compelling circumstances will mere common consciousness guarantee a concerted action. The mass must be trained, that means coalesced into an organised battle-ready community, drilled in the community struggle. Towards that end, mass action demands the following external arrangements:

First, individuals must be steered beforehand towards an explicitly formulated common interest and this must be explained as *the common will of the masses*. To that end an assembly must conceive a resolution, after thorough deliberation, raising demands that are then systematised as a whole into a *programme*. The formulated programme as the proposed goal of action is an essential guarantee of mass action, for it orients the individual will ahead of time and, at the moment of action, the inner conflict of motive in the individual.

Secondly, beside the goals of the designated path, mass action demands the explanation of the chosen means of struggle. A mass, which in the decisive hour is spared wild experiments and guarded against the fragmentation of combat operations, will win more easily, and be spared many defeats. We call the totality of the proposed means of struggle the *action plan*.

Thirdly, for the working out of the goals of struggle and the means of struggle the masses requires a definite, continuing publication, indeed a propaganda organ, which disseminates the explanation of the goals and means of struggle, an organ of the battle itself, the battle leader, which decides upon the choice of means, and which the combatants themselves faithfully follow. Propagation of the message and tactics presupposes wholly different personal abilities within the publication, and the astonishment that our best teachers are not the best generals in the field is unjust. If a movement has not developed such a publication earlier, but rather allowed it to arise at the last moment, in the struggle itself, as with the instinctual mass action, dangers of failure emerge.

If the people have developed their programme and their means of struggle, and selected their organs, they then are capable of an organised mass action. The organised action of the people is superior to the unorganised. The organisation is the most important guarantor of success. One first can speak of an organisation, in the strictest sense of the word, when its internal presuppositions (action goal and action plan), like its external organs, are reliable, and occasional improvised actions have become institutions of the masses. Such institutions are the press, class-oriented literature, the associations and committees established by statute, funds for the struggle, and so forth. The organised institutions of the people are their invaluable possession. For they make the otherwise amorphous mass, which the psychologist calls the *crowd*, and about which he can't say enough terrible things, into a self-conscious, action-ready social body, which we socialists prefer to call 'the masses'. The 'institutions' of the masses are their fourth action demand.

Every mass, whether organised or not, acts at every time with considerable internal friction, which in the praxis of the struggle dare not be ignored.

Among these internal frictions are the following:

First, the continual regression of the individual from perceived class interests to the more immediate, for him or her, personal interest. The heroism of self-denial is only to be presumed under extraordinary historical circumstances. The energy of mass action depends upon how strong the danger of this regression is. In precisely this point the proletariat differentiates itself essentially from other social classes. In the bourgeoisie in general one finds individual interests (family, private property, differentiated intellectual levels, and so forth) are much stronger than joint, class interest. The bourgeois is essentially a separate being, a private person. In the working class the individual has a far smaller purview of private interest, and as far as it is present (wife and child, wage, level of education), it is predominantly socially determined. The worker is chiefly a social being, a class person. In spite of that he never ceases to be a private person. It is overlooked too often that a populace cannot constantly and

without pause be subject to the compulsion of a class ideology. Every worker lays claim to the right and the possibility, if only for a time, to feel like a private person. It is precisely this [feeling] that gives rise to the necessity to embody the class and societal interests of the workers in organised institutions, i.e., to make a permanent institution from the class interests.

Secondly, no class is an undifferentiated sum of the same individuals. Every class divides itself into groups with differentiated group interests. The larger a class, then, as a rule, all the more numerous are the groups into which it is divided. Group formation is especially noticeable within the labour unions. Group interest frequently deviates from the common interest, thus it is even more necessary for a continual appeal to the collective interest, an appeal that Friedrich Adler has repeatedly expressed in an elegant and effective manner. Yet, even in full recognition of this necessity, when dealing with mass action the reality of group formations within the class cannot be ignored.

Thirdly, there is the danger of the ideologising of goals. Every people needs, as mentioned, goal setting that expresses the general will, as well as an overview of the available and imperative means of struggle, a goal and plan of action. Goals and means are not merely inventions of thought, but rather arise inductively from the real situation of the masses. The goals necessarily emerge as 'ideas', the means of struggle necessarily as systems of action, which theoretically are designated and classified as class tactics and the strategy. The ideology of class matures gradually. It matures in countless millions of individual discussions of the workers with each other, in innumerable assembly resolutions, by means of pamphlets, the press, brochures, and books. In these ways the latest results of theoretical inquiry slowly reach the masses. This research is not yet active class ideology until the people perceive it through the above channels. Thus Karl Marx's teachings initially were only adopted by the masses in fragments (though essential ones). Inner conflicts within the movement arise when means and goals are comprehended wrongly as a whole, or when correctly, only partially and in a distorted manner. However, it also occurs in definite historical situations that ideas are engendered from facts that live on through the masses, even though the facts upon which these ideas are based have changed. Rigid ideologies are no less dangerous than false ideologies. Every mass ideology needs continual renewal through social induction, if it is not to fall into error and go down the wrong path.

Fourthly, danger lies in the formation of organs. Every organisation which calls upon a plethora of organs, creates between them a division of labour and, thereby, a separation of the qualifications and the methods of all the organs. This creates unavoidable frictions between the organs themselves. The organs of the movement (party, union, and cooperative officials, activists, journalists,

and so forth) administer at any given time only a part of the totality of the people's interests and are inclined therefore towards a one-sided estimation of the general interest.

Fifthly, as soon as the masses become part of a permanent institution, they base themselves within established organisational entities and these have their specific constitution. This constitution regulates the mission of the organs, demarcates their tasks, and seeks to secure their cooperation. The constitution that an organised class produces is formed differently in accordance with the social nature of the class. The middle class as a totality of private persons very seldom develops its organs in a democratic way; they arise mainly in an authoritarian manner. An agricultural population also seldom develops a democratic struggle organisation. It acts as a rule as a religious movement and takes on religious forms for carrying through its class interests. The petty-bourgeoisie organises neither in authoritarian nor in democratic ways, but rather for the most part through a demagogic path, the leaders of its class movement push themselves forward either through demagoguery or corruption. The state forms under which these classes, i.e., where they rule, correspond mostly to these mass constitutions, and are their political likeness. It is certainly prejudice to suppose democracy is adapted to every class to the constituency of every state. The proletariat, to be sure, proceeds democratically, as a rule, in its movements; democracy is an inherent trait for them. At the same time, with the creation of organs one does not always think of a formal election process. It is precisely in the origins of the movement, where the sense of instinctive mass solidarity lies, that the organ is summoned into action. Through the action and without election it gains authority. In any extant generation the authority of the act dominates the leadership. This gives way gradually to an elected leadership and appointed, paid officials. Moreover, the proletariat's frame-of-mind as a struggling mass is to be understood as continually in transformation – one thinks, for instance, of the unions. In that regard, the achieved forms of democracy deviate from the bourgeois conception of democracy. An exacting investigation of the Soviet constitution sheds great light upon this process. The conceptual and institutional struggle within the class can in the short-term be so strong that it limits class action and even endangers it – something quite apparent to the socialist parties of the world today.

This short description of the struggling classes and their institutions had to be presented before the class struggles themselves can be described.

I *The Immediate or Economic Class Struggle*

The concept of class stems from the economy. Class is an economically determined division of a populace. Classes stand in immediate contact with one

another economically, and the economic class struggle unfolds only along these lines of contact. This struggle is the core and inception of all economic, and thereby all political development.

Every single person of the society, in particular the worker, stands within a class relationship. The points of contact between hostile individuals are most prominently visible when one speaks of class warfare. The worker is opposed above all to the industrial owner, and faces him six of the seven weekdays under the same roof. This class antagonism is the most general and most salient one, and initially it dominates the worker's spiritual life. However, the industrial bourgeoisie, or the small industrial owners, are *only a small portion of the bourgeois society* and represent only one department of capital, so-called industrial capital. The worker confronts commercial capital as a consumer. In this instance the class struggle loses its clarity and consistency. The worker, as a rule, divides his purchases among many commercial individuals and exercises, thereby, great freedom in his selection of sellers. Hence, contact is not continual, but occasional. The worker rarely confronts interest-bearing capital, mostly in the form of the pawnshop. Even more complicated is the contact of the worker with the landowner. In his function as owner of rental property, the property owner controls the worker more thoroughly and constantly than industrial capital. Exploitation through housing usury is similar to that of exploitation via the length of the working day. The role of property values are hidden from the worker almost completely, for it disappears in the dealings of the middleman, who determines the value privately, helping the owner realise his rent. Only the proletarian who lives in the flatlands confronts the landowner face to face. To him this individual is an industrial capitalist insofar as one works for him full or part-time, he is a landowner insofar as one contracts with him, he is a commercial capitalist insofar as one buys goods from him, and he is a usurer, insofar as one is indebted to him. Out of these diverse kinds of economic contacts and connections follow wholly different methods of class struggle, towards which we now must direct our attention.

1 The Immediate Struggle against Industrial Capital

The worker stands face to face across from the industrial owner. He struggles with him initially for shorter working hours, for higher wages, and safety in the factory. This conflict of one man against another becomes a struggle of the entire workforce of the enterprise against one owner and grows gradually into a conflict of the entire workforce of the whole branch and of the whole of national industry against all the industrial capitalists, who, in accordance with their function, call themselves employers (*Arbeitgeber*). The struggle that begins within the workplace expands from its own nature beyond the walls

of the individual enterprise, indeed through the plant gate through which the hired and fired enter and leave. Because the individual worker who stands before the door cannot control his own affairs, the struggle is transformed into a struggle over the labour market and its regulation. In the factories the struggle is primarily over the regulation of the labour process. The goals of this class struggle are: a) regulation of the labour market, and thereby the realisation of uniform working conditions and contractually guaranteed rights, b) regulation of the labour process, c) democracy within the plant (workers committees), d) continual raising of wages as a percentage of surplus value. All these goals are to be realised from the perspective of the highest goal: complete democracy in industrial enterprise by eliminating the dictatorship of the capitalists and complete absorption of profits (not yet that of the entirety of surplus value) into wages. According to its concept, the trade-union struggle grows beyond the capitalist mode of production in accordance with its concept because it seeks to eliminate the industrial capitalist himself and his industrial profits – syndicalism sees [this struggle] as the decisive method for achieving the socialist end goal, even though it obviously only grasps but one element of capital and only a small part of surplus value.

The most recent development of capitalism had markedly reduced the directness of the economic struggle. The greater the enterprises are on the average, the more a factory bureaucracy is interposed between the owner and the worker. When making a complaint, the worker can see the owner face to face only occasionally. Class antagonism is greatly pushed back by the hatred of the instruments of capital. Appeals are made to the entrepreneurs against arbitrariness. (The false ideology of the Christian Socials of the 'just master'.) Moreover, the industrial capitalist increasingly disappears from the production process itself into so-called anonymous enterprises like joint-stock companies, where the industrial capitalist transforms himself into a shareholder entitled to a portion of the industrial profit, and so-called public enterprises, where the industrial capitalist is the local government or the state to which enterprise profits flow. This is justified, apparently, by labelling them as public entities. Because the large and for the society most significant enterprises have taken on the legal form of the anonymous corporation or the public enterprise, the class struggle loses its immediate character. The worker faces the director, who himself is but an employee. Through that alone the struggles form and the mental image is changed to certain degree. Nevertheless, it remains direct class warfare.

Against industrial capital the working class has developed two institutions, the unions and the consumer cooperatives. The first as an orderly and effective means, the latter as merely an occasional source of information: they have

proven at least, that production without individual capitalists, if not without capital, is already possible today.

2 The Direct Struggle against Commercial Capital

Commercial capital exploits the worker above all through the retail trade and through the grocery business. Buying on credit functions as a usurious derivative of this form of exploitation. The struggle manifests itself chiefly in boycotts of individual businesses, *as a joining together of consumers*, who occasionally engage in illegal acts against the businesses. Only recently and gradually has a specific form of proletarian struggle developed in this sphere: the consumers' cooperative. Initially, they lead the fight against retail trade by means of replacing the retail businessman with a union of customers who retain the small business profits in the form of dividends for the workers. By unifying the individual consumer cooperatives with wholesale associations, this means of struggle eliminates the big businessman and the profits of big business. If the organised workers' consumption of certain goods becomes so extensive that meeting the demand by itself employs a productive enterprise, then the consumers' movement moves into the sphere of production, excludes industrial capitalism, and provides industrial profits to those who have organised. The attempts, through acquisition of land ownership to exclude private ownership of the earth and to return ground rent to the organised consumers, have just begun. The goal of the proletarian struggle initially should be the elimination of retail trade, then of wholesale trade, then of industrial capital, and finally of private land ownership. This aim, too, points to a society beyond the capitalist form in that, first, it leads not just to a distribution of only part of surplus value to the worker, but all of it, and second, in place of economic autocracy it gives rise to democracy. Cooperative socialism sees this means of struggle as the decisive one in the class war in general.

Put forward by individual socialists, exchange banks were a utopian means of class struggle against commercial capital, in which commodities were to be exchanged on the basis of the labour time required for their manufacture.

This form of the class struggle does not take place in workshops or in the labour market, but rather only in the commodity market. The point of struggle is not an individual one, as in the factory. It is, rather, a competitive war in the consumer market, which on the surface appears as free competition among the capitalists themselves. This appearance seduces many socialists who deny the class struggle character of cooperative activity, although it only extends to commercial capital and tends to capture the entirety of surplus value.

3 The Direct Struggle against Interest Capital

As long as socialism was borne preponderantly by the petty bourgeoisie, the class war was fought primarily against interest capital. Between the petty bourgeois and the usurer, whether one practices usury with money or commodities, there exists a personal war, and this carries all the characteristics of personal hatred. The agrarian socialist in the last quarter of the previous century spoke much in this vein. For the worker, credit is almost the only form of exchange value that is available, and is thus directed to the pawnshops, and this form of usury is also exercised by public corporations. Even now the struggle against loan usury and installment usury is still not significant. The major institutions of commercial credit, the corporate banks – with the exception of their employer function, which is not of moment here – exist beyond any personal contact with the working class, and the struggle against them as a direct economic struggle is not comprehensible or imaginable to the workers. Nonetheless, the consumer cooperatives, which in many ways are savings and borrowing unions simultaneously, have prefigured a means of class struggle for the elimination of the interest usurer. Meanwhile the worker, as strange as it sounds, is more a giver than a taker of loans. Every worker family that draws a daily wage but has to manage daily, monthly, or lifelong expenses is compelled to find savings within the daily wage. It does this not in order to save capital or to become a capitalist, rather to build a reserve fund for times of illness, unemployment, for the children, for their own parents, and so forth. This creation of a reserve fund is as a rule consumed over the course of one generation. Although for the individual worker this is often a small sum that is placed in public savings institution, for the proletariat of the whole country these savings amount to millions which the working classes gives continually to the country's capitalist class and which, in the final instance, is administered and exploited by bank capital. One part of the class struggle would be to utilise this savings for the working classes themselves, thereby supporting their consumer and producer cooperatives, thus markedly narrowing capitalism's sphere of control. To be sure, it is a utopian conception that, through a system of free credit (Proudhon's *crédité gratuite*), capitalism can be effectively combatted.

4 The Direct Class Struggle against Private Property

Insofar as the private landowner is himself an entrepreneur and employs wage labour, the trade union struggle impacts him as an employer and not in his function as an owner. We do know several instances of trade union struggle against the owners of large estates, such as the effort of the rural workers' movement in Hungary. The landowner, who does not work himself, but rather leases the land, stands in class conflict with his tenants. At the same time, the

capitalist lease of a productive entrepreneur (as in Hungary or England) is to be differentiated from the labour leases of small tenants as in Ireland, Finland or in the Baltic countries. The struggle of the small tenant is a class struggle on a grand scale involving special methods, about which we cannot go into here in detail.

The worker, like an apartment renter, is duty bound to pay tribute to the landowner. This dependence is as immediate and personal as with industrial capital. The struggle against usurious apartment rents as an direct economic struggle is to be conducted neither through boycott nor through another, trade-union-like means of struggle. In the main, rental associations provide legal protection and thereby serve the proletarian class struggle. Here the cooperative is also an effective means. The movement for the establishment of building and residential housing cooperatives has grown in scope and significance in the last several years. The building associations are naturally not able to eliminate rent, but they are in the position to provide aid to their membership as individuals or as a group if these rents rise. Ownership of a home should not only be valued as private property, but also as capital ownership. The building cooperatives ameliorate not only economic exploitation, but also, and this is more important, eliminate the personal authority and independence associated with private property, and via competition are able to ameliorate the fate of anyone who has to pay rent.

This short overview of the means of struggle available to the proletariat against private property reveals to us that a directly effective means of economic class warfare against property in land and ground rent does not exist. The proletariat is defenseless against the worst form of exploitation at the base of the economy itself, at least as long as the cooperative movement is not yet able to acquire large areas of land.

5 The Economic Struggle as a Whole

There is no department of capital that could not be attacked by means of a purely economic struggle and pushed back. That which is furthest from an immediate attack is private property and interest-bearing loan capital is almost as distant. Even in these two spheres the working class arguably has the means at hand to limit capitalist production from within and to limit its power, but their scope is limited.

The overview of the economic means of struggle teaches us that every one of these means, at least conceptually, looks beyond the capitalist mode of production. The economic power of the working class in every country expresses itself in terms of the degree, the relation, and the combination in which it uses them. However, this real power does not exist merely in the worker's

imagination or in his passion for struggle, but rather in that the economic class struggle unfolds continuously; it is not only organised, but takes form within established structures and becomes institutional. The economic institutions of the working class are the backbone of its economic power. Through them the class struggle is proclaimed to be permanent; without them the declaration of its permanence is an empty phrase. The struggle is conducted permanently by the elected representative in every factory and by the union in the labour market, by every sales clerk in the cooperative and every wholesale buyer in the commodity market, by the functionary of the credit union in the money market, by each organ of the renters union or the building cooperative in their confrontation with private property, and so on ...

The class struggle extends over a limitless field of battle and among innumerable individual fighters whose martial prowess and institutional preparedness for struggle is decisive to the condition of an entire class of a nation. The central institutions of class thereby have the task to orient the fighters outside of them, to motivate them, protect them from errors of judgment, and in difficult straits to defend them. In that process the overall picture of the economic class struggle changes in each period and from country to country. In some countries the unions predominate, in others the cooperative movements. At times, things are more favourable for the cooperatives, at times for the unions. Thus, over the last twenty years of rising prices on the European continent, it has been better for the unions than the cooperative movements.

The differing methods of the aforementioned movements also show that each one realises a small part of the social order within the capitalist world. Generally expressed, they create a sphere of economic democracy in place of and next to the economic autocracy. The coalitions, which lead the fight against industrial capital and in part against private property, are a democratic structure for the regulation of working conditions and, thereby, the ordering of the personal factors of production. In the place of the rule of work they put the free, orderly community of labour. The associations (consumer, wholesale, credit, and building cooperatives) create in place of individual private property and private appropriation common property or, as the cooperative members call it, *social capital*. It is still capital, and nothing of this function has been removed; but it serves class rather than private appropriation. These institutions of economic class warfare administer the essential prerequisites of democratic production. From this fact one sees the indispensability of forming institutions for economic struggle. Determining these as a means of struggle expresses only one side of their being. The other side is their educational and modelling function. Through them the working class learns to lead and conduct production with its own, that is, socialist methods. Thus, in the very womb of the capitalist

world the preconditions of a socialist world mature within the class struggle. A working class that has not gone through this school, and not developed the institutions, is not capable of leading and asserting its authority when contingencies give it the chance.

Our short overview concerning the economic means of struggle has shown that although our ideas point beyond the capitalist world, they are nevertheless bound in iron to it. These ideas are capable of much, but not everything. Even when the unions are able to limit industrial profit and the cooperatives control retail profit, even when they are able to hem in interest bearing capital and to noticeably reduce rents, the realities of surplus value and surplus labour can never be eliminated. Furthermore insurmountable obstacles hinder their effectiveness. For every union movement there are branches and methods of production (for example, in agriculture) for which there is no access. Via wholesale trade and their own production, the consumer cooperatives can influence only a limited part of the entire commodity market and of production as a whole. Loan capital and ground rent are completely removed from any real, damaging, and decisive threat. Even when one allows that the economic class war is the most fundamental aspect of the class struggle, one must recognise that it is only one portion of it and as such does not reach the final goal. Therefore, limiting the workers' movement to the economic class struggle only results in a one-sidedness, which one can label *economism*, and which soon expresses itself in part as trade unionism or syndicalism, in part as cooperativism, or degenerates into the utopianism of exchange bank systems, state credit, or a people's monetary system.

II *Political Class Struggle*

Economism is more widespread than one realises. Its basic error is that it abstracts from law and the state, and thus underestimates public power as a powerful economic instrument. To be sure, it encounters its intellectual opposite in the one-sidedness that I would like to call politicalism – everything and everyone should work to build the party political movement for the conquest of public power. The economic class struggle serves only to turn the movement away from its true aim and to drive it into the sand, except when economism's necessary failure increasingly steers the workers toward the political struggle. This one-sidedness is represented for the most part by those circles in the movement that stand outside of the industrial proletariat, not comprehending the economic necessities. This political direction understands by class struggle exclusively political struggle, and even this with the following limitations: If the working class organises itself politically and places that political power in the service of the ordinary, everyday matters of the economic

class struggle, then this action represents a degeneration. The party, so it is held, reduces itself to a mere Labour party, to a mere party of workers, which represents only immediate class interests. This understanding is a fallacy, however, which can be contradicted by the recognition that all purely economic means of struggle, as already shown, lead by their nature to economic democracy and to social organisation. And, the indispensable precondition of social democracy is the maturation of proletarian economic institutions in the womb of the capitalist society.

The political struggle of the working class initially can have no other content than *the working class itself*, than its innumerable daily concerns and daily struggles. We will designate this content as the '*economic-political struggle*'. Furthermore, the political struggle still has its particular goal that we will summarise as 'pure political struggle'.

1 The Economic-Political Struggle

The political representation of the working class stands in a continual interplay with the real and immediate class war, and all the manifestations that illustrate the latter recur here.

First to the preliminary political struggle for labour unions. The trade unions fight for the shortening of working hours, the political movement secures the gains that have been made for the long term with labour laws. The Ten-Hours Bill is a result of the class struggle. At the same time, as a political act, it is the legal expression of a certain degree of working class economic power. Without this it would be unthinkable. The trade union struggle for the regulation of the labour process creates the legal counterpart of factory inspection. However, in areas that the union movement has not reached, law takes its place. This is the case in the regulation of work at home, and some aspects of child and woman labour. Institutions taken up and modelled by the unions, such as workers' insurance, are adopted legislatively and implemented generally and automatically. The combination of economic and political struggle in these cases is self-evident; however, one must recognise at the same time that the political struggle in many spheres (as in work at home) has more weight than the economic one. Conversely, the economic struggle is often the pioneer for the political one (as in shortening of working hours). In general, one may say: The protective labour legislation of a nation is the juridical index of the economic power of a class.

Secondly, the economic consumers' movement finds its political support in the cooperative movement, in the state policing of foodstuffs, in the consumer chambers. The economic committee of the consumer cooperatives is the first attempt at creating a consumer's chamber in Austria.

Thirdly, the minimal scope of economic means to combat landed property demands in precisely this sphere the strongest political assistance. Public legislation and administration offer protection for the renter as well as housing inspection, and provides state-sponsored housing support. Irish tenants, for example, are protected by English legislation and to some extent are emancipated. The bottom line is that, against landed property, only public authority is powerful. Only it is capable of placing limits effectively upon landed property, or even eliminating it entirely (Russia). Here the facts reveal that in individual cases the state law remains the only means of proletarian emancipation.

Fourthly, the economic-political struggle as a whole insures the temporary successes of the working class, and makes it possible for the organs and institutions, created by the workers, to become stable. Without this stability the accomplishments remain precarious; only by dint of the legal security does every accomplishment become *institutionalised*! The institutions of a class are the guarantee of its ascent, and without them the class repeatedly falls back to its starting point of an unregulated, unorganised struggle. In other words, one must always start again from the beginning. These legal arrangements on behalf of the working class create a new situation, though it is often unrecognised by all sides. The state in its legislation and administration, which is originally the sole possession of the ruling classes, serves an increasingly growing segment of the working class, and the more mature the class is, the more the so-called social administration comes to outweigh the purely bourgeois (police and justice) administration. Thereby the state becomes a lever for the emancipation of the working classes. It becomes this in spite of its ruling classes. Thus, the future state matures in the womb of the contemporary state, just as socialism matures in the womb of the capitalist economy. If that were not the case, then all the preconditions of a new society would not arise in the womb of the old society. The content and scope of the social legislation and administration of a nation is a measure for the maturity and power of the working classes within it. Just as economic democracy is the foundation of all enduring emancipation, and is thereby more important for the working class than a purely political democracy, so is the social maturity of the legislation more important than the maturity of the state's constitution or bourgeois democracy. *Nations with a lagging democracy, but with advanced social-political organisation are in the socialist sense more developed than complete democracies without social legislation.* The primacy of the economy taught by the materialist conception of history compels every Marxist to come to this conclusion, although those who are primarily democratic and less socialistically oriented Social Democrats love to contest this.

2 The Purely Political Struggle

The more persistently the economic struggle is conducted, all the more specific are the institutions (unions, cooperatives, and so forth) it brings forth to engage in struggle and, for a class, these become even more effective as the means of struggle. Their outlook and their methods vary greatly as they adapt their aims and means to deal with particular opponents. This gives rise to the danger that to each part of the fighting proletariat only that segment of the bourgeoisie standing in direct conflict with it (the manufacturer, the land owner, the usurer) will be perceived as the enemy, and the contextual unity of the class war will be lost. Consciousness that the entire bourgeoisie is a single class aligned in solidarity against the proletariat is perceived, for the most part, only later in the struggle. In individual countries the economic struggle begins first, followed later by the onset of a general political struggle (for example, in England). In other countries, as in Germany, and especially in Russia, the general knowledge of the class war between those who possess property and those who don't and the necessity of united political struggle comes first. The external expression of this mature perception is the constituting of the working class as a political party.

Separate from the formations leading the economic struggle, the political party of the proletariat is the special organisation of the class formed to undertake the conquest of state power. The state is the necessary point of attack of this form of organisation; the state [is the target] rather than a particular hostile class or the enemy classes as a whole. Thus, the purely political struggle differentiates itself from economic-political one. In this process the state is conceived as the executive organ of the ruling classes, as the expression of its concentrated power, as the organised bourgeoisie itself, and thereby the link with the economic struggle is indirectly reconstituted. However, the party organisation embraces the working class as a unified whole without recognising its vocational diversity and social divisions as a unity. In this sense the party is the necessary integration of otherwise differentiated organs of the movement, in which the individual part retreats or even temporarily disappears. This is unthinkable in the ceaseless economic struggle.

The setting of the political struggle is separate from that of the economic one; it changes in accordance with the organisation of public power. State, region, county, district, local government – all positions in which the public power is organised are at the same time necessary combat positions, necessary in another sense than in the economic war. However, not only the territorial divisions of public power come under consideration, but also specialised bodies, all corporations, councils, advisory boards, chambers, and so forth. And these combat positions, whose importance one must not underestimate,

approach the positions of the economic battles. The political struggle necessarily goes through two very different essential phases. The first is the wresting of entry to any political position, the struggle over the franchise and, respectively, nomination. The second rests upon the ground thus won: the utilisation of public power on behalf of the proletariat. In this form, however, this power is very different than the economic: it is the exercise of absolute power (*Machtvollkommenheit*) conferred by the laws of the state, *that is the public power of law*, and not simply the enjoyment and use of private law. Thus, it makes the proletariat an element and organ of state power. Here, too, as in the economic struggle, the working class finds the expression of its real power in the number and importance of conquered positions, but this time in state, regional, county, district and local government, in the corporate bodies and advisory groups. Every position won is an increase in power and at the same time an increase in the weapons of the proletariat. The sum of the positions of this kind is the *political power* of the working class of a nation, which is identical with their portion of state power, with their power in the state and over the state.

The purely political struggle takes forms that are essentially different than the economic one: the ceaseless propaganda, verbal and in print, [disseminated] through meetings and the press and maximised during electoral contests, is directed at the state and against parties – not against the social classes themselves. The parliamentary struggle for the positions to which access has been won uses wholly different methods and illustrates its particular tactical and strategic possibilities. In the representative bodies, the representation of the working class stands face to face against those who represent state power and the ruling parties. There is no unequivocal picture of the bourgeois classes in the normal course of these political matters, rather everywhere muddled divisions and mixtures, which confuse and falsify the class character of the struggle.

Proletarian representation can attain minor successes by taking advantage of the contradictions and confusions in the changing alliances, reaching its goals step by step. And, in this regard, the progress of the struggle frequently leads to an advance which seldom occurs in the economic struggle. As soon as the minority becomes a majority or becomes part of the majority, it changes its tasks and methods completely. At the same time a new contradiction opens. The political is normally an adequate expression of the economic power of a class. But this is not always so. Where the workers lack the right to vote, or where the inner inconsistencies of the movement retard the full expression of its economic power, the political power of the class remains behind the economic (as in England in Victorian times), a circumstance that can give rise to the discontent of the class and a revolutionary mood. The class that is economically mature though politically without rights storms the state's posi-

tions through revolution. Particular circumstances, such as the incoherence of the bourgeoisie and the weakness of state authority, can call forth a reversal of these conditions: the political power of the class is greater than its economic power. In that, however, lies a permanent challenge to the bourgeoisie and to the state's power, which engenders the effort of the latter to break the power of parliament (*a coup d'état*). Revolution and counter-revolution are not infrequently the result of this contradiction between economic and political power.

The parliamentary battle is, for all that, only one sector of the purely political, even if it is its most important one. In the continental parliaments, which rest upon a total division of powers and [in which] the 'legislative' does not participate in the 'executive', parliamentary power is always only declarative, merely moral, power. This is not the case in the Anglo-Saxon countries, where the representative body simultaneously leads the administration, where participation as a representative also means co-administration and a sharing of the state's instruments of power. Certainly, on the continent the parliaments are not without power, but this is a purely moral, not real power. Real power rests upon the domination of the military and civilian bureaucracy, upon the use of the public means of compulsion. These means are not at the command of the European parliaments, indeed, in republics such as France, they are entrenched against the parliament in a thousand ways. Not the republican or the monarchist form of state, *but rather the participation by the people in executive power is the criterion of political democracy*. In parliamentary republics, as in France, the entire executive from time to time falls into the hands of the existing parliamentary majority and complies with it.⁵ That is the reason that in France today the political representation of the proletariat initially has the role of a minority with no power over the executive. The conquest of executive power

5 The struggle between the parliamentary majority and the authoritative executive is the inner political history of the French republic, of the French state since 1848. Even today the executive is still autonomous *vis-à-vis* the parliament, and through a strong president or through a strong ministry it can deviate from the law. The bureaucrats and military castes of the French republic do not differentiate themselves in any essential way from their counterparts in Central Europe, since the President, according to the full range of his official powers, is like an elected monarch, who is obeyed by the entire state machinery from the highest offices to the lowest rural policeman. This is not the case in the British territories, where the executive authority is in the hands of specially elected corporate bodies in all counties. In the United States, however, the executive is radically separated from the legislative; the President is the most powerful monarch in the world, though grantedly elected through a plebiscitary procedure.

is the most important part of the proletariat's larger task of conquering state power. Since the executive as a rule is an offspring of the ruling classes, at the moment when the proletariat has achieved a parliamentary majority, a new contradiction emerges: the representative body belongs to the proletariat, the executive to the bourgeoisie, and the question arises as to whether it subjects itself to him and becomes the reliable instrument of the new man in power. The domination of a proletariat with the administrative means of a bourgeois or half-bourgeois (civilian and military) bureaucracy is an unresolved problem, from which the demand arises whether to permeate this bureaucracy as much as possible with proletarian-minded elements or to win it over to the proletariat. The battle over the executive in parliamentary countries can in certain instances take the form of a proletarian minority sharing power with parts of the bourgeoisie as a ruling majority. It could then over time take hold of the executive. This much-disputed tactic is so-called ministerialism. Its questionability, like its inevitability, inherently emerges from the foregoing.

Political action peaks in the goal: conquest of state power, the entire legislative and executive, including the administration and the judiciary, with the final intention of putting public power in the service of the [working] class and of replacing capitalism with the new social system of socialism. Thus, this proletarian means of struggle, like the purely economic one, also looks beyond the present order, only with the difference that all economic means of warfare stem from one side of capitalism (industry, commerce, private property in land), while the political struggle is universal. That means the entire capitalist system of production strives to empower itself from the pivot of state power, with the law and the executive power of the law, with the might of organised public power. The state disposes over no other means. And so arises the most significant question, whether the means of the state are suitable and sufficient in scope to transform one social order into another.

The Bolsheviks have, indeed, undertaken such a long-term experiment. It rests upon the belief in the omnipotence of the law or the decree. One has mocked this belief as decree-cretinism (Dekretinismus). Such a belief is obviously a superstition. Law can do much, but not everything. Political power creates great works, but not by itself. Even less can the economic war against landed property and the phenomenon of ground rent be successful by itself – to do that legal means are indispensable – even less can the decree alone operate factories or till the land. The overestimation of politicisation, particularly in its parliamentary form, has been labelled cretinism. One can broaden this expression and speak of a politicising cretinism, but then it is only right to bring economic cretinism into view and to condemn it. Political cretinism peaks in the interpretation of the *dictatorship of the proletariat*, a term coined by Karl

Marx. This slogan from the mouth of one who is purely political is the same as the ideology of the general strike from the mouth of the syndicalist, in that both are enormously one-sided.

III *The Interplay of Economic and Political Action*

The tactical truth lies in the reality that economic and political action operate in tandem, enhancing one another and holding each other in balance. Certainly, this goal is not always achievable, especially in times of war or revolution. The interplay of both movements receives its special form as often as an economic action (such as the strike for the eight-hour working day by Austrian coal miners) is taken up by parliament, and its success secured through legislation, or when a legislative action that appears to be blocked is supported by economic action – in this instance with a political goal and in a certain sense not economic, such as the Austrian fight for the right to vote. In the first case the economic action was doomed to fail, but saved by parliamentary action. In the latter case, the economic mobilisation of a class forced a parliamentary majority to accept the will of a minority of eleven representatives. Thus, under the mature leadership of a class, every economic action is transformed into a parliamentary one, and [conversely] each great, but risky, political action is transformed into an economic one. In this way, the economic form of struggle assumes its special character. In the forms and methods of the pure economic action, depicted earlier, fully the same, it differentiates itself from the latter in that it pursues no economic goal or secondary economic objective, while its main goal is of a political nature. It transfers political action out of parliament to the social classes themselves and can best be characterised by the term *direct action*. That is the best way to define this term, which was used earlier to describe the misuse of economic means and wrong-headed acts of sabotage in the economic struggle.

A proletariat can never exercise more power than it possesses. Only a naïve idealism can apply Achimedes's cry: 'give me a point where I can stand, and I will move the world' to the politics of the proletariat. There are socialists who see this point in the parliamentary majority, in a general strike, in a general rising up of the people, and who think that if they only had either the machinery of a decree in their hands, or paralysed production, or called forth general confusion, they could, over night, create a socialist world out of a capitalist one.

It is possible that relative to the proletariat, the bourgeoisie is even weaker because the organised base of its whole power, the state, is momentarily broken. Such conditions arise in history. These conditions give the class best able to organise, namely the proletariat, and which simultaneously is situated

at the fulcrum of the capitalist process of production, *the decisive power, even though it is a minority*. To grasp this moment and make it useful to the proletariat is the duty of its leadership, and it will be compelled to take on this task, even against its own will, by the masses. Unavoidably, the temptation arises to utilise this power to an extreme extent in order to maximise the achievement of socialism. The more youthful, enthusiastic and inexperienced a proletariat is in conducting class warfare, the more easily it gives in to this temptation (the Paris Commune and the Bolsheviks). A proletariat, however, which has over long years of praxis marked out the limits of its power will also at this moment strive to establish the boundaries of the possible, and will be seen, unjustly, by the enthusiasts as cowardly and lacking principles. In this predicament it might establish a dictatorship of the proletariat that has no other goal than creating the irrevocable legal basis of economic and political democracy for the future economic and political struggle. The dispute about the degree to which a dictatorship of the proletariat can be constructed and achieve success in the confusion of war, and about the degree to which the proletariat is in a position to take advantage of the war to achieve its final goal, is at the centre of all of today's conflicts among the Marxist sects. In this regard, it is a superficial error to ascribe a theoretical right or wrong to any particular sect, or to charge the proletariat with the reproach that it has more or less or not at all acted in a proletarian or socialist manner. The degree to which a sect is right is to be distinguished according to the political and economic situation and maturity of a nation and its proletariat. And each proletariat does not act so much according to the influence of this or that leadership, but rather according to its situation and maturity. The dispute thus will never be resolved deductively from certain principles of class struggle, rather inductively from the social facts under the pressure of which the masses act. Therefore Karl Kautsky's school, which believes it sees a departure from the correct theory in this conflict, is in principle wrong.

Karl Renner, *Was ist Klassenkampf?* 1919, Berlin: Verlag der Buchhandlung Vorwärts.



On the Threshold of the Transition from Democracy to Socialism (1919)

In the elections to our Constituent Assembly, the German-Austrian working class must muster all the strength of which it is capable. For these elections bring a half-century of its glorious history to an end and open the door to a glorious future.

German-Austrian Social Democracy today is the oldest party in this country. The Christian Social Party traces its history back to Dr. Karl Lueger, the famed Mayor of Vienna, who began to go his own way in 1885 and founded his party in the nineties. All the German bourgeois parties, however, are of the past. They have entered into this electoral campaign as completely new entities, each without a history and none with a past going back more than a decade. *But Social Democracy has been one and the same since it was founded in this country.* After scattered beginnings, which Lassalle's movement awakened, the German-Austrian working class initially came together in 1867⁶ *as a political party with the name 'Social Democracy'.*

It formed its programme from the decisions of people's assemblies, which called themselves 'worker parliaments', and whose resolutions listed workers' demands point by point. In a rapid advance, it established as its goal the political, economic, and intellectual liberation of the working classes. They demanded the general, equal, and direct franchise at the national, state, and community levels; they demanded a democratic constitution, the freedom of association, assembly, and collective bargaining; and they demanded the *free people's state*. In the mighty mass demonstration of 13 December 1869 they wrested the right of association from the government. If one wants insight into the intellectual life of the working class in those days, one should read Wilhelm Liebknecht's speech of 25 July 1869 in the Zobelssaale that was published in the *Wiener Hochverratsprozess* (Vienna High Treason Trial). The working class still stood under the mighty influence of Lassalle's personality and passionately took part in the dispute that had broken out between the Eisenacher and the Lassallean groups. A large part of his speech was taken up with a report on this dispute. In addition, the speech reflected the passion of the struggle for democracy. 'Whoever fights against class domination must fight for freedom: only in a free state, in a state that is free, is the free society possible'. Liebknecht

6 The 'Universum' Assembly of 1 December 1867. See 'Hochverratsprozeß', p. 139.

2. On 11 April 1869 the first number of Hartung's *Volksstimme*, organ of the Social Democratic Party, appeared.

referred to Switzerland and the United States, where freedom kills off the discord between nationalities or makes it impossible. An Austrian Minister understood this very well by saying he would like to defy Bismarck by making Austria into a monarchist confederacy. 'But I know of only one confederacy and it has no Emperor'. At the same time the speech was a passionate protest against the Hohenzollern and Habsburg ruling houses, which in 1866 after a damnable civil war had divided the German nation. 'The workers of Austria belong to the German Workers' Association. The current exclusion of Austria from Germany is only a provisional, temporary [condition]. Austria must return to Germany, to a free country united on a democratic basis. Unity can only occur in a free Germany'. The political programme of the German-Austrian working class was firmly established in this speech given exactly fifty years ago. The roots of our movement in German-Austria go back to it. The ruling class's fear attempted to undermine these promising beginnings. As in Germany, in Austria they tried to root out Socialism through trials for high treason. When they achieved the opposite result and the movement grew mightily, they decided at the end of the seventies and in the early eighties to use brutal police power against it. A decade-long state of emergency succeeded in throwing the working class into chaos and in dissolving its first organisations. This arbitrary power from above unleashed terrorism from below here that split the working class into two hostile camps. One of them, although it obviously did not have the strength, preached *violence as a panacea*. The other recommended the '*revolutionising of minds*'. If the henchmen of the Taaffes regime* were not able to root out socialism, it still succeeded in alienating the great masses of the industrial proletariat from it and in immunising the little people, e.g., the craftsmen, white-collar employees, and the entire rural population, from it. During that decade the memories of the successful beginnings between 1867 and 1869 faded from people's memories and socialism no longer appeared to the masses as a political party but rather as a sect crying out in the wilderness, which made mischief in prisons and workhouses. At the Hainfeld Party Congress at the turn of the year 1888–9, when the divided and hostile brothers united once again and took up the struggle for suffrage, Social Democracy appeared to the whole public to be a newly founded political movement. And yet the Hainfeld

* Count Eduard Taaffe (1833–95) was a conservative-monarchist politician. A close childhood friend of Emperor Franz Josef, he served in key provincial posts and in the Austrian government. Named Minister-President of Austria in 1879, his fourteen-year period in office marked a break with the liberal governments that had preceded it. While restricting political freedoms, it also introduced a variety of social reforms including factory inspection, limiting the working day to eleven hours, and accident and sickness insurance.

Congress again took up the movement of 1867–9 in more developed form and with clearer understanding about its goals and means.

Thirty years have passed since Hainfeld. That is a whole generation, and many of the men who participated there have passed on including our greatest champion, our Victor Adler. These thirty years are a single glorious hymn to the proletarian struggle. On 1 May 1890 the Vienna working class took up the first May Day celebration and put universal suffrage back on the agenda. On 10 October the same Count Taaffe, who had tortured the proletariat with the Emergency Laws, submitted the first draft of a law that promised to establish universal suffrage to the House of the Privileged. The aristocrats from Galicia and the Alpine regions then teamed up with the German bourgeoisie to undercut this law and its author. The coalition of Windischgrätz and Plener* worked to thwart the first step toward Austria's democratisation and sought to drive off demonstrating Vienna workers with police and Hussars. To no avail! Graf Badeni, who succeeded them in 1896, had to concede the fifth curia [to the workers]. This was nothing more than a usable step up. But the aristocracy and the bourgeoisie learned in the elections of 1897 that the proletariat had not been won over to socialism to the extent that they had feared. They could, therefore, idly make themselves at home within the curia. And the elections of 1901 seemed to confirm this assumption. But five years later, the proletariat returned again stronger and more massively: in the huge rush of a few months it overthrew the curial parliament and in the elections of 1907 Austria appeared to be represented in parliament as it really was: an Austria of nations and classes.

But the real Austria was something very different than the homemade dreams of the dynasty, the desires of the over-mighty bureaucracy, or the interests of the feudal-plutocratic House of Lords had imagined. At that time, Austria and the monarchy stood at the crossroads. It could continue on the path once chosen and immediately take up the reform of the Constitution in the wake of the electoral reform. It could reconcile the nationalities with one another under the banner of democracy. It could establish a national state for every nationality on its home ground and bind these national states together in a defensive and economic community. The continuation of the work of 1905 was possible. Indeed, it was required given the situation in Europe. In his Zobel speech, Liebknecht had foreseen that this was the only possible way the monarchy could save itself: 'Austria must go forward on the road of freedom. With

* The coalition was headed by the conservative Prime Minister Alfred zu Windisch-Grätz III (1851–1927) and supported by the liberals led by Finance Minister Ernst von Plener (1841–1923).

any false step it tumbles into the abyss'. And the working class of all the nations was ready for this work. Had Austria at that time carried out a democratic policy in the interest of the working class and pursued a policy of autonomy in the interest of the rising nations, than its relations with its neighbours would have been totally different and unfolded in the opposite way than they did in the years that followed. The peaceful community of nations would have become a model and perhaps an attraction to its neighbours!

But those who ruled this country wanted things differently. They took the second path and that was the false step into the abyss! Court circles, which always paid for every step forward with two steps back, were absolutely terrified by Social Democracy's electoral success. And this was true especially of the great lords who sat in the House of Lords. This Upper House became the seat of an unrelenting, dogged conspiracy of the big landlords, the capitalist magnates, and the declining aristocracy of the curial parliament against the democratic Lower House. The coterie in the Upper House had created the *Bienert* and *Stürgkh* Ministries, which, together with their co-conspirators in the House were primarily responsible for the misery of the old Empire, to supervise the Commons. Without spirit or ideas, the ill-fated and pitifully inept *Bienert* was chosen to lead the democracy reduced to its most absurd state. His whole mode of governance consisted of exhausting the nationalities to the point of despair. He was appointed especially to furnish proof to the curial heroes of the feudal and lawless landed magnates in the House of Lords that universal suffrage did not work and that one had done their wisdom an injustice. Instead of moving ahead with the national principle and implementing a serious policy of national autonomy – at the time the wall between the Germans and Czechs really was paper-thin – one consciously thwarted every national understanding and stirred up national obstruction first from the left and then from the right, in order to dissolve the House and use Paragraph Fourteen. In this way one undermined all hope among the nationalities that there would ever be any solution within the framework of this state. In the background, however, the military brass and secret diplomacy prepared another solution, which they recommended as an act of salvation. The old system could be saved from democracy and from the self-determination of peoples through a victorious war. That was the goal of *Tisza's* barbaric nationalities policy and *Stürgkh's* cleverness behind the scenes. The hapless *Bienert* was packed off and the secretive *Stürgkh* arrived. Our diplomatic conspiracy of *Conrad*, the Chief of the General Staff, *Stürgkh*, and *Tisza* shut parliament out completely, spurred the German bourgeois' hunt for the great man and the most extreme chauvinism of the Magyars, and, via trials for high treason and espionage affairs, drove the South Slavs to despair. It went resolutely down the road of disaster, the road to a war of 'salvation',

which became the step into the abyss. For seven years this regime paralysed Austrian representative government and for seven years the best place for the Austrian working class to have a political impact, the parliament, was ruined, taken away, and made useless. Unfortunately the Czech party fell away from the International and robbed the working class of the advantage of a united front. The vile system of spying and of trials for high treason, of aggravation, and of disappointment intensified the hate among the national bourgeoisies into hatred among the peoples themselves. The war broke out in the midst of this powerlessness and despair. With one blow, Austria's German working class, like those of all countries, was robbed of its ability to act. Amidst the foaming chauvinism, Social Democracy could do nothing other than maintain its desire for peace and its preparedness to fight until the moment for action matured. The moment when the military forces at the front collapsed it made up for what it had been unable to do over the ten years since 1907. In the revolutionary days of October and November 1918, German-Austrian Social Democracy with one jerk broke the chains of the Hapsburg ruling house, which had held ten peoples together, and liberated the Germans from a community that had become untenable and unbearable because its rulers had sown the seeds of hatred and mistrust among the nationalities. And, with a single jerk, on 12 November it cast off the dynastic yoke, the privileges of the House of Lords, and the class privileges of property ownership in the community, and founded the free people's state, which had been its goal since 1867, and which Wilhelm Liebknecht had demanded in his Zobel speech. Thousands of economic connections created by the peoples of Austria-Hungary had been destroyed by the disaster of war. The dynamic economic community between agrarian and industrial lands, between mountains rich in forests and lowlands rich in grain, between the business-oriented, hard-working Germans and Slavic and Hungarian farmers, could have been a blessing for all of the peoples if the relations of political domination had not poisoned them. The smart way out, the reconciling of the particularities of nationhood with an economic community and through democracy, had been blocked by the ruling groups. Now the war and the foolish and shortsighted wartime food policy destroyed the last economic connections among the nations. Therefore the German-Austrians had nothing else to lose in the community of Danube nations. At the moment when these bonds were destroyed, when Imperial Germany and German-Austria simultaneously had thrown off the historical misfortune of their dynasties, every hindrance was removed that could stand in the way of the unity of all German tribes. Thus, it was also the moment to fulfil the last programmatic point that Wilhelm Liebknecht had put forward in his Zobel speech to German-Austrian Social Democracy in 1869: The basic law of 12 November, dictated by

German-Austrian Social Democracy to the National Assembly, proclaims that: *The Republic of German-Austria is a part of the German Republic!*

That is fifty years of a confident, tough, and determined policy, which led to final victory from the first day when our banners were unfurled against a world of enemies! There will be few historical examples of such a straightforward, unchangeable, and successful policy. The elections we now face have brought this policy to a dignified and powerful close. The German-Austrian nation owes its oldest and most experienced party its recognition and Social Democracy will know how to make use of this public appeal!

But this election is at the same time the first step into a new future. The coming National Assembly is the threshold of a new epoch.

With it we enter into the great community of German socialism; we enter into the sphere of influence of that terribly powerful intellectual movement, which, over many decades, has revolutionised all the world's countries; [we enter] into the immediate field of action of Marx and Lassalle, of August Bebel and Wilhelm Liebknecht! Who doesn't feel strange when he returns to the home of his youth? We go, however, and find it partially changed. German socialism has transformed itself from an ideology and a movement into a *contradictory intellectuality* (*Geistigkeit*) *of an entire people!* The proletariat is stepping out of the anteroom of its political education onto the threshold of action. But action has a different character than an idea. On the threshold of action new questions arise: Which goal is the most immediate one? Which is the most distant? Which way is the next one? Which is the surest? Which means call for the fewest sacrifices and which promise the most rapid success? One is mistaken to treat these questions as a dispute over principles or a dispute among schools. For the same questions also raise doubts for every individual who is a conscious actor! Ask anyone who has faced a difficult decision. At that moment, every individual asks himself this question: Do I go to the left or to the right to reach the goal? Do I get there with a powerful quick action or with smart preparation? It is wrong to speak of mental prowess in such questions when one is talking about means to an end. And that's how it is with individuals, never mind a whole people! When a whole people considers [an issue], then arguments and counterarguments take on a factional form. That is unavoidable. At such times, happy is the nation that has learned from long historical schooling to listen to those who are level headed.

German-Austrian Social Democracy has had the great good fortune to be led by Victor Adler during a decisive period of its history. He combined a passionate heart with clear and cold reason. All his life this hothead was at the same time a vacillator; this prophet was simultaneously a master of the present. Thanks to his methods, German Social Democracy of Austria was spared great setbacks.

His first calling in the labour movement was to unify those who were at odds. To achieve the unity of the party and to maintain it until his death was his masterpiece. Conflicts within the party were just as big and just as passionate at the beginning as they were at the end of his political career. And in both cases they had to do with the question: Which goal is our most immediate one and what is the surest way to achieve it? And he had always placed that goal in the forefront that was achievable, and he always selected the means that most surely led to the goal. Hundreds of times he preferred that which was inconspicuous and seemed small and most bland to that which was large, most sensational, and most thrilling, but in the historical moment he had also dared the biggest things. And so he watched the movement grow in the political arena step-by-step until [the achievement] of a complete republic and until it joined the national community.

When we German-Austrian Social Democrats complete our attachment to the Social Democracy of the Reich, we take up a modest position in the new whole. But meanwhile our tasks can become large. If we have learned in Victor Adler's school, then we can and should succeed in the practical task of overcoming the split in German socialism, despite the completely unavoidable conflicts in tactical conceptions. Then we will help it re-conquer the position that befits it in the global workers' movement.

But the connection, which once linked us with Czech, Polish, Hungarian, and South Slav Social Democracy and is now torn apart, will not remain so. A generation of common history and of common struggles will not be lost. In spite of all the discord and turmoil we believe that: *We have not separated from you in hatred!* Placed in a different state community, we would not consider abandoning the proletarian community. The war had caused confusion in all socialist parties, even in ours, and we don't need to be ashamed of it. Therefore we don't wish to play the moral judge over the parties of these young nations, which in the process of forming their national states occasionally lost the guiding principle of the proletariat. The intellectual pains of the war will also pass and we are already thinking of how the old ties must be reconnected. We want and will face Hungarian, Czech, and South Slav Social Democrats not as German-Austrians but as Social Democrats of the whole German Republic. And German Social Democracy will need us, because we German-Austrians know the proletarian movements of these nations down to the smallest detail and we are familiar with the needs, the justified expectations, and the fateful illusions of these peoples. Outside of their community of states and therefore freed of any suspicion that we want to or could patronise them or treat them like children, we will be in a position to be valuable mediators in the new International. One constructs a chain by connecting link to link and the new

International will be no different. Because the dominant forces of old Austria-Hungary disastrously poisoned the relations of nations to one another, it was impossible for us to maintain a closer international within the framework of that state and to build it anew. How hard we tried! Before long we will once again be united with them in the great European and world International, which has to be our enduring aim.

We are initially carrying out these elections for German-Austria, but we are preparing ourselves at the same time for a German future and for the future of the world. But the new German Reich and the new world in which political democracy has become a natural expectation open up the prospect of finally getting to our most basic work, socialism! With the final and complete victory of democracy, bourgeois history has basically arrived at its end-point. We have fulfilled it. *Therefore, socialism now moves from its prehistory into its own and actual history.* What will concern humanity after the conclusion of peace *is the social order.* What is the League of Nations other than the emerging International – [other than] socialism among nations? The imperialist states of the West only can create a wretched model, a caricature, of that. They want to build a republic of republics and yet at the same time maintain and even intensify the capitalist exploitation of one people by another. They want to create a free community of creditor and debtor nations and to make one people the wage slaves of another. They completely forget that a republic of nations cannot exist if the political republic of every nation has not already transformed itself into a social republic! Again, as after the collapse of the First International, the proletariat of each nation first has to create the preconditions of a real international in its own country. And so our very next task becomes discernible: We have to ensure that the transitory and purely political republic becomes a social republic through the progressive organisation of production. We cannot yet know how many years or how many decades this work will claim. In our country it has taken a half-century to realise the programme put forward by Wilhelm Liebknecht in the *Zobelsaal*. The social republic must also be fought for and elaborated, and the miracle of the days of creation, which conjures a world out of nothing through a 'Let it be so!' will not spare us this work. But we now know that, as we count our numbers in the great electoral battle and form our ranks, *we are entering into our really great and final task, the task of socialism.*

Karl Renner, 'An der Übergangsschwelle von der Demokratie zum Sozialismus', 1919 *Der Kampf*, 12, 2 (February): 65–74.

PART 3

1921–7: Stabilisation and Growth



Introduction to Part 3

The SDAP's coalition with the Christian Socials was possible because of the emergency facing the country in the wake of the Empire's collapse. By 1920, though Austria still faced major external and internal problems, the immediate crisis had passed. The newly created army, the *Volkswehr*, though small, was under firm Social Democratic control, as were the police and the workers' councils; the fledgling Communists made no headway against the new state. Once the government had been consolidated, bourgeois opposition to the social and political reforms it had carried out intensified and pressure built to end cooperation with the left. In the labour movement, too, dissatisfaction was growing but it was the government's limited progress that was frustrated. After losing a parliamentary dispute over the role of the soldier's councils in the army, all factions within the SDAP agreed on the need to withdraw from the cabinet. In the elections that followed the party suffered a clear defeat as the Christian Socials won 85 seats, the Social Democrats 69, the Pan-Germans 25, and the Peasant party 8. Since the Pan-Germans would not join a coalition with the Christian Socials, the latter could barely scrape together the necessary majority to form a government, but the SDAP was now in the opposition, where it remained for the duration of the republic's life.

That was not what the party expected. Bauer argued that the country had entered into a period in which class forces were stalemated, but he anticipated that, as social tensions increased under a bourgeois government, eventually the SDAP would be able to reenter a coalition from a position of strength. That this did not occur was primarily rooted in the deepening social and ideological antagonisms that separated the SDAP, whose popular basis was centred in the industrial working class of Vienna and a few other cities, and the Christian Socials, whose backing rested largely on support from the peasantry and petty bourgeoisie, as well as conservative elements among white collar workers in the public and private sectors. Deep and far-ranging ideological differences between the two movements included the relationship between the church and state, collective property and private property, the community and the individual, men and women, and parents and children.¹

Opportunities for cooperation between both parties were few as each had very different notions of how to resolve Austria's problems. From the beginning of their hegemony the bourgeois parties did not hesitate to reverse the

1 Hanisch 2011, p. 147; Kulemann 1979, pp. 249–50.

working class's gains from the revolution, and antipathy deepened between the two movements as the language of the socialist critique of the government sharpened. Although the SDAP pursued a reformist strategy, argued that religion was a private matter, and asserted that violence should only be used as a defensive measure against counterrevolution, constant references to the revolutionary future and the 'dictatorship of the proletariat' (as represented, for example, in the *Linz Programme*) frightened conservative Catholic circles that feared what would happen if the SDAP won a parliamentary majority.

The dominant figure in the Christian Social party was the conservative pastor and professor of moral theology Ignaz Seipel. Under his leadership the Christian Socials grew increasingly reactionary and less willing to tolerate the parliamentary order. Over time Seipel allied his movement with the armed Heimwehr, which by the late twenties functioned as a kind of private army for the party. It faced the Social Democrats' own Defense League (*Schutzbund*), which the party saw as a bulwark of the republic, especially as the army leadership grew more conservative and the Heimwehr more threatening. Although the mid-twenties experienced relative calm, such developments did not bode well for the civil peace of the republic.

In Germany, too, the early twenties were difficult and paramilitary politics flourished. Struggling to deal with runaway inflation, the French occupation of the Ruhr, and a series of Putsch attempts by the Communists and resurgent nationalist forces, including Adolf Hitler's National Socialists, the republic barely managed to survive. Urged on by Hilferding, a majority in the SPD leadership realised that it was necessary for the party to participate in coalition governments to grapple with the disaster and in 1923, at the height of the hyperinflation, Hilferding served as Finance Minister in a cabinet led by Gustav Stresemann, the leader of the German People's Party, a party with close ties to business. By 1924 the government was able to surmount the crisis and the radicals of the left and right were in retreat, but the SPD had lost considerable support and moved into the opposition to lick its wounds.

After 1924 both Germany and Austria experienced a period of relative prosperity, though serious economic problems, such as high unemployment, continued. For several years the Socialists were able to concentrate on honing their message, building their following, and tending to their institutions. In 1925 the SPD adopted its new *Heidelberg Programme* (drafted primarily by Hilferding), and the following year the SDAP adopted the *Linz Programme* (written primarily by Bauer). Passed after much debate (mainly in Austria) on the nature of and relationship between 'democracy' and 'dictatorship', both of these programmes were updated versions of their Erfurt and Hainfeld predecessors but also represented attempts to reach out to non-proletarian groups. This effort

was exemplified in particular by the Austrian party's decision to seek peasant support through the adoption of a new agrarian programme (written by Bauer) in 1925.

Both the SDAP and the SPD succeeded in expanding their ranks during these years. Each reached the high tide of their post-war electoral success in 1927 and 1928, respectively. Austrian Social Democracy, with 42 percent of the vote, became the largest single party in parliament, but without allies did not have enough support to form a government. Bauer was hopeful, though, that with just 200,000 more votes an absolute majority would be within reach. Meanwhile, in Germany, the SPD won the May 1928 elections with almost 30 percent of the vote and the party decided to form a broad coalition, headed by the SPD-leader Hermann Müller, with three of the moderate bourgeois parties. Hilferding returned to his post as Finance Minister, hopeful that the party could introduce meaningful social and economic reforms.

It was not long, however, before events dashed these hopes. The turning point in Austria occurred in the summer of 1927. On 30 January, in the village of Schattendorf in Burgenland, a confrontation between Schutzbund and Heimwehr forces resulted in the latter killing a war veteran and an eight-year-old boy. Six months later, after a jury acquitted the accused, massive demonstrations took place on the Viennese Ringstrasse on 15–16 July. At first the demonstrations were orderly, but then a shot rang out and mounted police charged the crowd. A riot ensued in which the Justice Building was set on fire, over a thousand people were injured, and 89 were killed, including four policemen. The SDAP had underestimated its supporters' fury over the jury's decision and were unprepared for the protest and debacle that ensued. They responded with a one-day general strike and an indefinite railway, post, and communications strike, but both of these failed as the government in Vienna and the Heimwehr were able to suppress the strikers.²

The July events were a disaster for the SDAP and a victory for Seipel. Despite the Social Democrats' efforts to cast a positive light on the strikes, their failure showed that one of the party's most vaunted tactical weapons had failed in the face of the national government's power even in 'Red' Vienna. It also showed the effectiveness of the Heimwehr in suppressing strikes around the country. The Seipel government was now much less inclined to compromise with the left, which had proven to be a paper tiger. Indeed, it was emboldened to go on the offensive against the left and against the republic.

2 Here I am following the version of events provided in Lewis 1991, Chapter 8, pp. 122–46; and Jelavich 1987, pp. 183–4.

Meanwhile, in Germany Hermann Müller's coalition was unable to carry out any of its plans to increase labour's economic and political power. On the contrary, not only did the conflicting interests of the coalition partners hinder the passage of significant legislation, the onset of the depression soon led to repeated government crises as rising unemployment undermined the state's finances and the parties bickered about what to do. Hilferding proved to be much better able to use the tools of Marxist economic analysis to understand the workings of capitalism than he was at responding to the crisis with innovative practical alternatives. Instead he fell back on the standard response of mainstream political economy to crisis: austerity. This policy ultimately came at the expense of the SPD's constituency, as the government found itself cutting benefits and raising indirect taxes that hit workers hardest. Hilferding left office in December of 1929 after conservatives attacked his strategy of covering the budget deficit by securing foreign loans. Müller's cabinet fell in March, after a dispute over the financing of unemployment payments. Few recognised at the time that Müller's would be the Weimar Republic's last democratically elected government.

Friedrich Adler

Imperfections in the Programme Design (1926)

When party leaders published the first draft of the programme in August, so that discussion could begin among the members, the question remained open about whether the forthcoming congress or a later one would complete the final version. Even today one cannot overlook to what extent the great work of the Linz Party Congress can be supported. For with a task of this kind everything depends upon thoroughness and very little upon speed. In any event, it will be an extraordinary achievement of the Party Congress if, excepting that part of the programme concerning 'the next tasks,' as well as that part devoted to the great tasks of the future, it succeeds in readying it for a vote.

In the discussions over the proposed Party programme, which encountered great interest even beyond the borders of Austria, besides the great respect shown to it, there was also a certain disappointment over the 'incompleteness of the programme'. The programme does not address a range of important questions for the socialist movement in general or only alludes to them in passing. We can appreciate that socialists in other countries where such issues are in the foreground, indeed are burning questions, regard it as a shortcoming that the answer is lacking.

The old Austria never had colonies in other parts of the world and contemporary Austria certainly does not. So, where the *colonial question* must be central to any programme discussion in England, for Austria it only has an indirect importance. The new Austria is happily freed from the *nationalities question*, which by necessity encounters the liveliest interest in Czechoslovakia, because that country is the true heir of the old Austria.

The bold attempt to take on the creation of a new programme has become substantially easier since it is now being undertaken in a country in which *the delimiting of problems* is possible.

Certainly this is not the ideal path. We would all prefer to create a programme that not only addressed all questions of the international workers' movement, but also developed a *comprehensive* viewpoint on each issue, so that out of this programme the problems of the individual countries would arise as particular cases. But the formulation of such an international programme is nowhere near to fruition, and it would be an unjust criticism if one wanted this programme, consciously developed for Austria and based on specifically Austrian conditions, to set the standard meant for an international programme.

This must be handled with great care in those areas of the draft programme that concern the great future questions of the working class, with its path to power, and the use it will make of it in the transition period to a socialist social order. This problem has been discussed with unheard of intensity since the Bolshevik revolution in Russia. And, naturally, the treatment of this issue in the draft programme has received the most criticism. It is necessary, however, to make clear to what extent the formulations of this complex of issues rest upon *specific Austrian pre-requisites*, and that only with them in mind can they be understood.

The work on the programme provides a favourable opportunity for reorganising and reexamining our experiences in the last decade. In all countries socialists during this period have been so overwhelmed with the most pressing work that very little time remained to look back at their experiences. But even further behind is the work of comparing and summarising of experiences in the various countries. Each of us knows at this time only a small portion of the lessons to be learned from this past decade, so the workers' movement in every country suffers from unreliable generalisations about specific experiences. We will try, therefore, in the exposition that follows to make the reader aware of one of the most important problems of the draft programme: the *conditionality* of our situation and of our tasks. This essay must be seen as a contribution to this work of clarification, and not, by any means, as an attempt to bring the discussion to a close.

Marxist Terminology and Marxist Knowledge

The wartime and the post-war periods have not only led to difficult conflicts of principle within the working class, but also to a *confusion in our terminology*. Thus, a greater part of the discussions of the last decade has been a *conflict over words*. That the discussion is unfruitful and hopeless, as long as one uses the same word with a completely different concept attached to it, is illuminating on its own. This is the case above all with the word *dictatorship* and recently even the word *democracy* is in danger of losing its value due to the many definitions applied to it. The programme's problems begin immediately when these words are employed. Since, unfortunately, we cannot wholly avoid these words, we must make clear in what sense we are using them. There are two possibilities open in this regard for a socialist programme. It can link usage to the historically given designations in Marx's works, or it can adopt the general contemporary usage of the words. Both the scientific use of words and the common usage have their advantages. The first makes it easier for the individual to gain entry into the classical literature of socialism; the second facilitates workers' deeper understanding of the programme. From the point of view of development over

time, maintenance of the established scientific nomenclature has the greatest advantages, and one sacrifices something when common, everyday language (Vulgärnomenklatur) is applied to the understanding of the present. Yet, no matter how one decides, there must be clarity about *which language is spoken*, and any criticism that starts from the pre-requisites of another nomenclature is absurd from the outset. In the draft programme the concepts of democracy and dictatorship are used in *today's common parlance*, and this decision, whether one is sympathetic to it or not, must be kept in mind when the programme is criticised or some improvement recommended. Most important of all is ascertaining the meaning of the word 'dictatorship'. It has been shown with great clarity in the socialist literature, above all by Max Adler, that, despite their reference to Marx, the Bolsheviks have completely misused the phrase 'dictatorship of the proletariat'. Bolshevik hegemony in Russia was never and could never be a dictatorship in the Marxist sense. But that does not change the fact that for a decade the masses of the world proletariat have heard and used the term 'dictatorship' in connection with the Bolshevik control in Russia. One might regret this distortion of the term, and one may clarify the interest that the Bolsheviks have in this distortion, which has now become the common usage, but one cannot simply overlook a fact of such significance in a document that serves not only scientific, but also practical-political purposes.¹

1 Another example from the sphere of nomenclature can help clarify the situation. With good reason Engels took sharp exception to describing the worker as '*one who takes work*' ('Arbeitnehmer'), because the one who takes work is not the worker, but rather the factory owner, who illegitimately appropriates it for himself in the form of surplus value. In spite of Engels's quite accurate observation, it would be a hopeless undertaking today to want to eliminate this label, which has come to be used in common parlance, indeed even in Marxist literature that aims to promote the understanding of the use of the terms dictatorship and democracy.

One can observe the dangers that lie in efforts to create scientific parlance in the writings of Max Adler, most prominently in his *Political or Social Democracy*. Thus, one can read on page 111 in all seriousness: 'The Bolsheviks falsely designate their rule as a dictatorship, because they are still only a minority. And, instead of telling them that their rule is not a dictatorship, Martov attempts to prove that dictatorship, as such, contradicts democracy'. That the 'dictatorship of the proletariat' in the Marxist sense can only be a dictatorship of the majority, and as such, would not contradict democracy, is correct, but [to argue] that, since there will one day be a dictatorship of the proletariat, there can never have been a minority dictatorship is an assertion that is not only superfluous for one who defends scientific Marxist language in a rigorous sense, but it also does direct damage. The word 'dictatorship' has existed for two-and-a-half millennia, and it is unreasonable to expect that, during this entire time, applying it to the rule of a minority would be a misuse of the term just because later on Marx's concept of the 'dictatorship of the proletariat' refers to majority rule.

Beyond the questions related to nomenclature, there are far more serious issues of principle. And here we must investigate to what degree the draft programme has been successful in expressing Marxist *knowledge*.

One of the great, indeed decisive, insights of Marx is that the capitalist regime cannot move directly into that of a socialist society, but rather that an intermediate stage, a transition period, is necessary. Initially, the *class rule of the proletariat* will follow the *class rule of the bourgeoisie*, and only then can the *classless society*, i.e., that of socialism, emerge.

There is no doubt at all that the draft programme is built upon the recognition of this necessary development, but one can find that this idea is not brought forward with sufficiently trenchant clarity. It is entirely correct when the draft states that, when the Social Democratic party comes to power, 'the democratic republic will be transformed from an instrument of bourgeois class rule into an instrument of liberation for the working people'. To be sure, the phrase 'tool of liberation for the working people' contains all that is necessary, but one could think about whether it wouldn't be better to use the words '*class rule of the proletariat*', thereby expressing the idea positively and in all its sharpness. Thus, without the need of philological over-refinement, the essential content of an important basic idea, which some critics would prefer to formulate as the 'dictatorship of the proletariat', is provided.

'In the popular sense, which is also shared by the hegemonic theory of the state, a democratic government means a majority government based upon universal suffrage'. To Max Adler's statement we can add that the draft programme uses this popular understanding of 'democracy'.

But to this popular understanding of 'democracy' Max Adler juxtaposes an 'actual,' allegedly Marxist, 'sense of democracy'. We do not want to enter into a historical-philological investigation of whether Marx once used the word in the *Communist Manifesto* in the sense claimed by Max Adler. The usage of the word throughout the workers' movement for over fifty years, as well as later usage in the works of Marx and Engels, is without a doubt the same as the popular usage today. Even Lenin uses the term this way in his *State and Revolution*. From the standpoint of terminology there exists no doubt about how the word 'democracy' is used, but the uses of the word 'dictatorship' still need to be understood.² Within the workers' movement, on the other hand,

2 With this brief suggestion it seems to us that the practical use of the term 'democracy' in the party programme has been adequately explained. A wholly different task is the critical debate with Max Adler's way of thinking. This appears to be very necessary in order to separate what is of value in his observations from what in our view is untenable. This will be taken up in another article.

there are *objective differences* in the estimation of democracy, and the party programme must take a clear position on them.

Proletarian Class Rule and Democracy

Democracy will always be alive when it opposes *the privileges of a minority*. Its overthrow becomes a danger when it turns against the *vital interests of a minority*. So, for example, the urban minority in a country with a peasant majority could find its vital interests so strongly impaired that it sees no other option to proclaiming that, no, there is a limit to *majority power* when the oppressed cannot find justice anywhere ... The vital interests of national minorities are not swept away on the basis of majority rule. There are economic and national groups for whom democracy can only exist when it is tied to the recognition of the *autonomy of minorities*.

Linked to the revolutionary right of minorities *to defend* their vital interests is the fallacy that the overthrow of democracy might be used to turn the tables and allow the minority *to violate [the rights] of the majority*. This fallacy has strong suggestive power, especially in countries where industry is less developed and where the working class has no prospect of becoming a majority for a long time. From the point of view of Social Democracy, only a *defensive war* against the misuse of democracy by the majority can be justified: a *war of aggression* against democracy with the goal of oppressing the majority, never.

Besides the *limit placed upon democracy* by the vital interests of minorities, there is still the much more difficult problem of the extent to which the proletariat *is duty bound [to introduce] democracy* after establishing its class rule.

In order to take a position on this question in our party programme, we have to clarify the conditions of our situation in Austria at the time of the collapse in November 1918. At that time we achieved complete democracy and worked on its expansion and consolidation. We took this path, because we were firmly convinced that the historical moment did not yet make the social revolution possible. Instead, progress could only be achieved and sustained by the democratic revolution. This conviction was in no way general among the workers, and it was subject to the strongest doubts and challenges, especially when efforts to achieve proletarian class rule were carried out in neighbouring countries.

Today, we know that the path we took proved itself to be fully justified historically. But by that we have not said that it would have been right if conditions had been ripe for a final victory of the proletariat over capitalist society. We must, therefore, investigate *the proletariat's relation to democracy at the moment it asserts its class rule* completely independently from the situation

that existed at the time, because then we were dealing with *the democratic republic and not yet with the socialist one*.

The normal route of the labour movement's progress is *the realisation of democracy, which seems to us to be temporally closer* than the realisation of socialism. We still work on the conquest of democracy and view socialism as our 'final goal'. With a great sudden enlargement of proletarian power, as occurred after the catastrophic war, the question can arise whether the chronological order had reversed itself. Under its rule, the proletariat has to fulfil the task of achieving democracy and socialism. But for the proletariat with the possibility of carrying out *socialisation*, there is *no obligation to begin with democratisation*. The question of *the order in which the transformations of society will occur* is not, as is often wrongly asserted, a matter of principle. It is, rather, chiefly *a tactical issue*, which is conditioned by the entirety of the contextual situation. And, as probable as it is that in undemocratic countries the proletariat's accession to power begins with a major expansion of democracy, because the numerically strongest class must come to the fore, it is also clear that for the realisation of socialism the expansion of democracy can initially be a hindrance. It can be expedient to put off democratisation in the interest of socialisation.³

The proletariat that assumes its class rule is not duty-bound to abolish all oppressive relations immediately, but rather it has complete authority initially to simply reverse the relations of oppression. The proletariat, which had been subjugated, becomes the ruling class and the former rulers are suppressed. The latter cannot complain when they experience as a class that same fate they earlier had doled out to the proletariat.

How this oppressive relationship will appear will to a large degree be dependent upon the forms of oppression that existed before the working class came to power. When it seizes power, the proletariat does not need to turn to what it *had demanded* [earlier], but what will be decisive for the measures it chooses will be what it had already achieved. For as correct as it is that the working class not be obliged to begin by alleviating the relations of oppression, *it certainly may not allow these oppressive relations to get worse*.

And this is now the decisive point where the Bolsheviks' blindness becomes clear. They have no understanding of the limits to which proletarian class rule is subjected. They even have the terrific idea that it would be possible to create

3 Thus, the question can arise of whether it is expedient to introduce proportional representation or the franchise for women. This consideration was decisive for the position of the Belgian socialists given the balance of class forces there. Initially, they sacrificed this democratic advance in order not to weaken the influence of the working class.

the Tsarist model of oppression in England or Switzerland, if only the condition could be met of the working class exercising power. Such Englishmen who sympathise with the Bolsheviks rightly say over and over that any such undertaking in England would immediately collapse in the face of the resistance of the worker masses. Every English worker will find it just and equitable that the bourgeois suffers the oppression that he himself had suffered, but he will not take away from him those personal freedoms that the worker himself had enjoyed during his lifetime under the bourgeois democratic regime.

There is no general recipe for the forms proletarian class rule will assume, but they will be decisively determined by the degree of development and by the democratic rights achieved under capitalism in each individual country at the moment of the proletariat's assumption of power. There will be a *reversal of roles* between the subjugated and the subjugators, but the belief that the proletariat's assumption of power requires a *regression to rule by violence* is not only a false theory, but it is also one that is highly dangerous to the proletariat's struggle for liberation.

Proletarian Class Rule and Violence

The development of democracy under capitalist rule and, above all, the influence that the working class was able to achieve in each country, could not be foreseen at the time Marx and Engels wrote *The Communist Manifesto*. In the fifties and sixties they still reckoned with such an early achievement of proletarian class rule that there would have been no time for the democratic development that actually took place under capitalist rule. Therefore, in that epoch, given the extant conditions, the idea that proletarian class rule initially would have to be exercised under its *sole rule and with violent means* was well grounded. We want to refrain here from drawing on comments by Marx about England from a later period, which point to different possibilities. It is enough to remember that Engels in his old age had recognised the other possibility with full clarity. In a letter of 29 June 1891 he comments on the proposal for the *Erfurt Programme*:

One can imagine that the old society may develop peacefully into the new one in countries where the representatives of the people concentrate all power in their hands, where, if one has the support of the majority of the people, one can do as one sees fit in a constitutional way: in democratic republics such as France and the U.S.A., in monarchies such as Britain, where the imminent abdication of the dynasty in return for financial compensation is discussed in the press daily and where this dynasty is powerless against the people. But in Germany where the government is

almost omnipotent and the Reichstag and all other representative bodies have no real power, to advocate such a thing in Germany, when, moreover, there is no need to do so, means removing the fig-leaf from absolutism and becoming oneself a screen for its nakedness.

Engels expresses clearly here that the degree of democratic development is decisive to whether *'the old society can grow peacefully into the new one'*. Rightly, he believed this impossible for the Germany of the Hohenzollerns, but we see what importance he gave to democracy when he was able to observe the highly limited expression of it in France and North America. How different matters are today in a country like Austria, where not only are democratic rights far more developed than in France or the United States at that time, but where above all the relative power of the working classes in relation to the other classes is incomparably stronger than was the case in any other country during Engels's lifetime.

What for Engels in 1891 was one of the possibilities that 'one can imagine' had won extraordinarily greater significance through the democratic upheavals unleashed by the war in Central Europe. And it is one of the most important positions of the draft programme that it, compared to our earlier party programme stemming from Austria's half-absolutist era, takes a decisive step and openly and clearly declares that, under the present democratic conditions, a path of development is possible upon which *'the Social Democratic workers party conquers state power by means of universal suffrage'*.

The draft programme has the merit of making clear the possibility of development upon a wholly democratic basis. But just as valuable is that, rather than declaring this eventuality as not the only possible one, it keeps other eventualities also in sight. It is as distant from the narrow mindedness of merely formal democracy as from the narrow mindedness of those who worship violence at any price. It seeks to ascertain the historical prerequisites under which the democratic path is possible and under which violence could become necessary. For the draft programme leaves no doubt that, for Austrian Social Democracy, the democratic path is by far *the more desirable one*, and that it would only move onto the terrain of violence if *forced to* by the counterrevolutionary bourgeoisie.

Nevertheless, some critics of the draft programme believe that on this issue they have discovered a contradiction in that they take from it an assumption that the bourgeoisie *under all conditions* 'will seek to constitute a monarchy or a fascist dictatorship', and that therefore Social Democracy would not be spared from violent struggle. The draft programme speaks so exhaustively about the conditions that have to be fulfilled so that *'the bourgeoisie would be unable to*

even dare ... to move against the democratic republic’, that any doubts about its true line of thought disappear. Still, perhaps it will be expedient to prevent these types of misunderstandings though small changes in style.⁴

A regime of force is simpler and in many ways more comfortable than a democratic regime – namely, for those in power. But, it seems to us unnecessary faint-heartedness if, like the Bolsheviks, one wanted from the outset to exclude the possibility of exercising class rule via democratic means. If the proletariat really has a majority, then the question about the form of class rule is secondary. The form of *sole rule* [exercised] by a class, expressed in organisational form in the soviets, is in no way the only form possible. That clearly can be seen in that, numerically, the truly capitalist element of the society is quite insignificant. If one wanted to exclude the capitalist parasites of society, along with criminals and the insane, from political rights, and thus limit them to *working* for the society, this would *practically* achieve nothing of moment. One might look, for example, at the Austrian parliament, in which, even without such a provision, industrial capitalism has not a single representative among the parties available to it in Parliament, and is thus compelled to let the petty bourgeois and agricultural parties take care of its affairs.

Conversely, the example of *the administration in Vienna* shows very clearly that the representatives of the workers in no way allow the presence of petty bourgeois, reactionary opposition parties to hinder their pursuit of their mission. The possibilities of the working class in Vienna are limited by economic conditions that exist the world over, in the neighbouring states, and in the rest of Austria. As the draft programme correctly states, the socialist social order ‘cannot be developed in an individual small country that is dependent upon the capitalist world powers, but rather only in those large, interconnected areas which have the pre-requisites of a planned, socialistic economy’. And an isolated socialist community within the capitalist world truly is an impossible utopia. Within the city of Vienna itself realising socialism was never considered and it is not being contemplated now. But that the Christian Social minority in the Viennese government could be a hindrance or be the hindrance to the realisation of the goals of the working class is a thought that, after the experience of the post-war period, has never entered the mind of a single worker in Vienna. The Viennese example teaches us penetratingly *what the workforce can achieve with its power under democratic con-*

4 Thus, one could replace the sentence ‘The bourgeoisie ... will ... attempt to overthrow the democratic republic, and erect a monarchist or fascist dictatorship, as soon as ...’, with the words ‘The bourgeoisie will be tempted to overthrow the democratic republic, and erect a monarchist or fascist dictatorship, as soon as ...’

ditions. It is not the existence of a parliamentary minority that presents serious difficulties. Instead, the decisive thing is *whether or not a Parliamentary majority* of the working class exists that is actually *fully conscious of its mission*.

It is a certain kind of overestimation of parliamentarianism that dominates the Bolsheviks. They fear the parliamentary apparatus, and believe that the working class would not be capable of mastering it for its purposes. But the decisive issues lie not in the parliamentary apparatus and not in the question of the degree to which it must be replaced by the soviets, but to a much larger degree they lie in the state's bureaucratic and military instruments of power. In this respect we also want to draw on the experiences of Vienna and Austria.

The working class in Vienna replaced the rule of a party that had openly proclaimed the principle that its opponents, above all Social Democrats, would be excluded from its staff of government officials and from its enterprises. On the basis of this principle, Social Democracy had the opportunity and the right to reverse matters and maintain this kind of terror. It could have announced that it would hire none of its opponents and that the bureaucracy, consisting largely of Christian Social progeny, would be handed over to Social Democracy in its entirety. But Social Democracy in Vienna believed it could reject this system of revenge and that it could appoint officials and employees based on their objective qualifications. Their success has proven them right. The human cruelty that this vengeful system would have brought with it was avoided, the Viennese government has experienced practically no sabotage by party opponents in the city bureaucracy and, indeed, the great majority of these officials have accommodated themselves internally to the new power relation. Nonetheless, it would be a mistake to over-generalise this Viennese example.

Although uncommon, a type of official does exist who is 'a bureaucrat in himself' (ein Beamter an sich), a man who considers his function in office as his highest duty, who is politically neutral, whose only political conviction is to be without one. This species is not necessarily driven only by reason of opportunity; idealists do exist among them. Yet, no matter what drives these officials, they will not be a hindrance to working class rule. Conversely, the existence of this type of pure official should not hide the fact that there is a large number of officials that are tightly bound to bourgeois society by tradition and habit and will attempt to resist the proletariat through sabotage as soon as the issue is the realisation of its socialist goals. Those officials, who, in contrast to this group, act out of purely hostile political convictions, only play a subordinate role. [Yet] it would be delusional if the working class were not aware of this danger at the moment of the assumption of power. It is fully justified to appoint

trusted officials wherever it thinks necessary. To what degree there will have to be an organisational restructuring in the executive organs will be dependent upon respective circumstances. 'Democracy' does not imply that there should be obstacles to the most radical measures of firing old officials and hiring new ones.

Bureaucracy is always quickly prepared to 'voluntarily' subordinate itself when the working class disposes over *armed force*. And thus we come to the decisive point. How the armed power of the bourgeoisie can be eliminated and the armed power of the working class established, or how one can be transferred to the other, depends upon such a variety of circumstances that arriving at a general guiding principle is hardly possible.

One of the most important pre-requisites for understanding our draft programme is recognising the fact *that in Austria the bourgeoisie has already lost its armed power*. Indeed, it has lost it without the working class having had to use force against it. Defeated in war, the old army despaired of the monarchy's cause and dissolved. Social Democracy used that moment to create a new force: the People's Army (Volkswehr). It was determined to protect the new Republic against monarchical counter-revolutionary efforts. Only the workers were reliable republicans during the Republic's early days. And so the army at that time was not only devoted to the Republic, but to the working class as well. And this situation in regard to the transformation of the army has remained essentially unchanged. The soldiers' council elections, which occur yearly, show again and again that Social Democrats constitute the overwhelming majority of the force.

And here, again, is evidence that our programme *is specifically Austrian*. It does not need to talk about the elimination of the bourgeoisie's armed might, but rather concerns itself with Social Democracy's really big problem: *maintaining* the status quo. There is no doubt that the longer the purely bourgeois ministry's influence lasts, the stronger become the opponents of this task of the working class. In innumerable small ways, there is an effort to make the state's army once again into an instrument of the bourgeoisie. Led by the bourgeois parties and the officer corps, the majority of which is reactionary and inclined toward the monarchy, the struggle is carried out under the slogan of 'de-politicising' and 'neutralising' the army, but actually advances the class interests of the bourgeoisie. The battle for the soul of the soldiers, which Social Democracy carries out by keeping them conscious of their loyalty to republican institutions, as the draft programme explains, is the real job of the party in relation to the armed power as it exists today.

When the Social Democratic Workers Party actually becomes the majority of the people, the decision by universal suffrage would actually immediately

guarantee it state power, because the pre-requisite, that the armed might of the new ruling class is ready to serve it, will be fulfilled.⁵

But it would be a fateful error to conclude from the Austrian example that decisions by means of universal suffrage would be enough to secure proletarian class rule. There are undoubtedly other instances possible, where the transition can be accomplished peacefully. This will occur where in addition to the equality of suffrage there is also *equality of access to arms*. But it is quite different where democracy is lacking within the armed forces, where the standing army is the instrument of power of the bourgeoisie. Where military service is universal a decision about the possibility of a peaceful transition depends upon power relations between the soldiers stemming from the proletariat, and the almost exclusively bourgeois professional officers, who are served chiefly by petty bourgeois and peasant troops. Where there is a purely professional army, the decisive weight will depend upon its strength in relation to the population, and whether the democratic victory of the majority, which the working class achieves, has to be secured in violent struggle. But no matter how small the army might be, the proletariat can only become the ruling class when it controls it.

By representing the idea that it is necessary for all decisions to be subordinated to democracy, the working class possesses a powerful moral weapon with which it can carry out the toughest part of its struggle, the fight to subordinate the armed forces to its authority. The weight of the moral pressure depends, however, on the degree to which the bourgeoisie is ready to accept the army as a 'neutral' body, one that is freely in the service of its new rulers. That is the point where the transition of power into democratic forms can become a transition that is revolutionary in nature. For the military must yield to the ruling working class, otherwise there will be the constant danger of its being used for counter-revolutionary purposes.

Not *sole rule*, not *power by force*, but rather *the predominance of the working class* is the necessary pre-requisite for fulfilling the great mission that will follow the elimination of bourgeois class rule: constructing the classless society [while] under the class rule of the proletariat.

5 The 'scholastic' learning of the Communist Bukharin did not allow him to dream of this possibility. In his criticism of the Austrian Social Democracy's draft programme, published in the *Die kommunistische Internationale*, among his many errors what stood out most was his complete inability to understand that the soldiers and gendarmes of contemporary Austria could be in any way different than those under the monarchy. His Communist friends in Austria should be careful that his statements are not used as agitation material in the election of the soldier's councils. A trip to Austria that allowed him to study really could not hurt Bukharin, that 'eternal child' (ewiger Knabe).

The draft programme is far from being able to discuss all the problems of international socialism, but if understood correctly, it provides a good model for the solutions to problems in other countries. It shows how one can distance one's self in equal measure against *democratic fantasists*, who want to make us believe that there are only ballots in the world and weapons are things to be neglected, and against the *fantasists of dictatorship*, who want to make us believe that a successful putsch is enough to realise the ideals of the working class over the democratic rights of the majority.

Friedrich Adler, 'Unvollkommenheiten des Programmentwurfes' 1926, *Der Kampf* 19, 11 (November): 461–70.



The Conflict over the Definition of Democracy (1926)

Max Adler's writings have the value of always providing the big picture in the proletarian class struggle, reminding us to be conscious of *the historical goals of socialism* amidst the minutiae of everyday work. One can hardly overestimate the significance of carrying out this task. Especially for the youth, elevating one's vision towards the whole is the necessary pre-requisite for giving work in the movement the strength and passion that will allow it to become genuine and lasting.

Precisely because we believe that books that both get to the nub of problems and are well written are extraordinarily important, it is painful to ascertain that in Max Adler's last work⁶ many significant deficiencies are noticeable alongside the aforementioned benefits.

The goal that it sets for itself 'to clear up widespread confusion of political concepts' (9) seems to us unfulfilled, indeed we must say openly that in our opinion, it achieves the very opposite and can heighten the confusion. Max Adler first took up conceptual definitions in his book *Die Staatsauffassung des Marxismus* (*The Conception of the State in Marxism*) and gave particular attention to 'continuing education and its application to a special problem, the problem of democracy' (11).

⁶ Max Adler, *Politische oder soziale Demokratie. Ein Beitrag zur sozialistischen Erziehung* (Berlin: Laubsche Verlagsbuchhandlung, 1926).

In what follows, we will only deal with the problem of democracy, limiting the discussion further by not taking up the political consequences of this question. By doing that we will avoid comparing the conclusions that emerge from the book's train of thought with what to us are the contradictory assertions of the foreword, which partially work against the book's arguments. Therefore, instead of engaging in a limitless discussion of the political consequences of democracy, we want to investigate the source of the differences, namely the *conceptual definitions of democracy* themselves.

A part of Max Adler's discussion rests upon the following assertion: 'The *majority principle* is not the principle of democracy, but rather the idea of the *general interest*, the *commonweal*, in which all participate equally and which all are in equal measure called to and entitled to create' (57). The discussion of what the principle of democracy 'is' would be purely scholastic and thus a fruitless controversy. The question is what we do want to designate as 'democracy', which definition of 'democracy' do we prefer to use. And, for that reason we must, above all, be clear that any designation and any definition is logically permissible insofar as it does not contradict another definition employed in the same train of thought. From this perspective it is logically permissible if Max Adler wants to designate 'the idea of the general interest, of the commonweal' as the principle of democracy. Therewith it is naturally asserted that in a *class state* 'no genuine democracy is possible' (60) and that it will only be realised in the *classless society*. For every Marxist, just like Max Adler, is convinced that, in the class state, class interests are decisive, and that only in the classless society will the majority allow itself to be led in general by the common interest.

The question that emerges in respect to this definition of democracy is, therefore, not whether it is logically admissible, but rather only if it is *expedient*. Until now we have been accustomed to calling the classless society, for which 'the idea of the general interest, of the commonweal', is characteristic, *socialism*. We look in vain to Max Adler for a reason [explaining] why that should change. In the end, though, labels are a matter of taste and, as is well known, one cannot dispute matters of taste.

We would, therefore, face the question of whether it would be *expedient* to use the term 'democracy' in the future in the sense that Max Adler has given it. But, suddenly, we see that this word 'democracy', which should express the principle of the general interest, receives the crutch of an attribute. Max Adler speaks of '*Social Democracy*' and the suspicion then mounts of whether or not the attribute is more decisive for the designation 'of the idea of the general interest' than the substantive. And the suspicion becomes a certainty when we notice that he is not in a position to limit democracy to its alleged 'principle',

but rather we must admit that *beyond this principle there is a second concept* that he cannot avoid labelling as democracy. This 'fundamentally different concept' (52), which cannot be linked to the definition as 'a general interest', is then altered – 'the entire content of equality in the democratic idea is merely limited to the form of legal equality' (53).

Suddenly the talk is all about the 'content of equality in the democratic idea' and we hear that this 'entire content of equality' is limited to the 'the form of legal equality'. We are thus happy to again have a concept that everyone is accustomed to calling 'democracy', which, however, now, in order to differentiate it from that other concept of democracy, also receives an *attribute*. Each concept is labelled as either 'political' or 'formal' democracy, but neither of these attributes is claimed as a positive thing (53).

Again we must assert the path of the *double application* of the word 'democracy' with these differing attributes is completely acceptable. It is a matter of taste whether we want to call something 'political democracy' and 'social democracy' or whether we remain with our accustomed understanding, simply stating: 'democracy' and 'socialism'.

Both paths are possible. One can use the word 'democracy' only in the *sense of its supposed principle* (the general interest) (57), or one can decide to use the word democracy in its twofold sense with attributes (53). *But it is inadmissible to use both meanings of the word side-by-side*. That is because on the second path something is meant by 'democracy' that, indeed in the express view of Max Adler, directly contradicts the 'principle of democracy' on the first path, namely that of 'the idea of the general interest'. For, through the concept of 'political democracy', 'the close connection ... between the form of social life and the lack of solidarity' should be stressed (53).

Because Max Adler cannot dispense with the word 'democracy' for the class state, for which, indeed, 'the idea of the general interest, of the commonweal', is not characteristic, he actually finishes off his [own] definition that 'the principle of democracy is the idea of the common interest, of the commonweal' (57). And with that he arrives at his basic error, which persists throughout the reflections in his book. *He is not conscious of the contradiction* in these definitions and uses them *side-by-side as well as against one another*.

When Max Adler suggests on page 52 that 'the democracy that we have and that is only possible in the class state be called *political* democracy, and that, on the other hand, that democracy that we want and is only possible in a socialist society be called *social* democracy', then the double use of the word 'democracy' is introduced, i.e., two meanings of the word. Two pages later, however, the definition of the 'real meaning' of democracy is given (55) and five pages after that it is even claimed that in the class state 'no genuine democracy

is possible' (60). These title-headings would be possible if one would take the first path, and democracy were defined according to its alleged 'principle' (the general interest), but when one travels the second path of the double definition, then 'political democracy' as 'democracy' is also possible and entirely as 'real' and 'genuine' as 'social democracy', and all assertions that the democracy that we have is *not a democracy* (52) are transformed into unsustainable paradoxes and sophisms.

All difficulties disappear when we simply decide to remain with our old practice, and to regard the 'the content of equality' as characteristic of the democratic idea, which, in the class state, is limited to *the equality of political rights*, and in the classless society is expanded to *the equality of social rights*. If we are clear that the 'content of equality' is the essential thing, then one can, along with Max Adler, via 'political' or 'social' attributes, express whether 'it has to do with democracy in the class state or the classless society', but one will not be able to make the paradoxical assertion that 'the democracy we have now is *really no democracy in the sense of the idea of democracy*' (52).

In sum we can say that the twofold use of the word 'democracy' with its differentiated attributes, as Max Adler has proposed on page 52, is quite possible. Indeed, we suppose that the differentiation that he wants has a respectable tradition, one that perhaps would be recognised by historians when, a half century ago, the workers' party in Germany chose the name 'Social Democracy' in order to make a polemical point against democracy that is limited to equality of political rights. On the other hand, it is clear that the other definition, which Max Adler gives on page 57, cannot be upheld at the same time. 'The idea of the common interest, of the commonweal' may not then be designated as the '*principle of democracy*'. It could only be brought into connection with *the principle of 'social democracy'* that had been brought into discussion.

Max Adler's comments on democracy are confusing in large measure due to his treatment of the *majority principle*. We are fully in agreement with him that the majority principle is not a moral commandment according to which the minority must submit to the majority, but rather that this subordination of the minority will only occur 'when the minority has *an interest in the maintenance of unity with the majority that goes beyond the difference of opinion*' (81).

The minority has the right to separate itself from the majority and to leave the community. Where it sees itself compelled to remain within the community, it has *the right to revolt against the majority's attack on its vital interests*. We have pointed out the limits of democracy in the last issue of *Der Kampf*, among others, and here we are of one mind with Max Adler. We only wish to add that not only the minority 'has an interest in the maintenance of the

community', but so does the majority, for whom the minority's exit from the community or their revolt would be quite unacceptable, and would, indeed, occasion concessions by them.

The confusion whereby Max Adler runs afoul of the majority principle and which requires wide-ranging and unconvincing explanations is basically rooted in the fact that he, from the outset, equates group interests and class interests.

Now, it is self-evidently correct that historically the most important group interests are *class interests*, and that in a classless society these most important of all group interests will disappear.

But, we must keep two sorts of things before our eyes. Firstly, outside of the society as such, *there are other communities* which contain groups, and for which the majority question can arise. Max Adler himself draws on the example of a tour company, of a delivery company (81–2), and far more important, the party (79–80). Secondly, there are, besides the sociologically most important case of contradictions between the classes, *other group interests within society*.

It follows, then, that despite [the existence] of a classless society in which the general interest of society will be by far the most important motive for all decisions, there still will be *group interests*. Think, for example, of the special interests of the colour blind or other human groups who have inherited or acquired defects.

And, conversely, in a class-based society, in which class interest is the dominant motive for all decisions, there are also issues that touch upon them only indirectly or in limited cases are independent from them. Whoever follows the community referenda in Switzerland will find a number of cases, in which all parties use the same slogans or all parties [allow their members] to vote either way, because no particular class interest can be ascertained.

In the class state, group interests are by far the dominant motive of all decisions; in the classless society the general interest of the community will be the dominant motive. Max Adler distorts this idea, which all Marxists share, by stripping it of its relativity and constructing an absolute antagonism. From the *dominant* motive he creates the *single* motive.

We have to remain aware that, besides class interests, there are other group interests, and besides the general interest of society as such there also can be *general interests* of other communities. Therefore, the majority principle affects a wider circle of cases than Max Adler initially treats, and his depiction suffers in that he is forced to touch upon these other cases in retrospect, rather than initially as he takes up the entire complex of the questions with which he is concerned. This becomes especially evident when he talks about employing

the majority principle in the classless society. He asserts that 'the majority decision in a society based on solidarity ... merely becomes a decision about various ways of implementing the common interest' (83). Here Max Adler conflates two points of view into one which must be clearly separated. It is correct that, with the elimination of class antagonisms, the domain of the 'common interest' of society will grow immensely, as will the possibility of unanimous decisions. It is also correct that where a 'common interest' exists, the majority generally will allow it to guide it, the minority is not characterised in such a way that it forms another interest than the general interests, but only in so far as it does not grasp the 'common interest' in a particular case. It is incorrect, on the other hand, when Max Adler presumes that beyond the 'common interest' of society no other *group interests* can exist. And indeed this applies to all communities. Beyond the common interest that constitutes the community, people have other interests that form them into groups. The classless society will be built upon the common interest in *economic matters*, but people differentiate themselves in their physical makeup, in their habits of life, in their mental habitus. All these characteristics will lend themselves to the creation of groups even in the classless society. The classless society will eliminate *antagonisms between economic interests*, i.e., those that have a *class character*, yet group antagonisms that are not simply matters of opinion, but have to do with genuine interests, will remain. As an example we have mentioned the interests of the colour blind. Even among such groups there can be a 'common interest' of society, but it is beyond question that *there will be also group interests*. Group interests can lead, if they go too far, to a *separation* or expulsion from the community of solidarity (*solidarische Gemeinschaft*), as is the case today with leper colonies.

There is not just one community of solidarity and therefore not just one common interest. On the contrary, there are and there will always be a slew of such communities, each one of which has a 'common interest'. And because the same person may belong to differing 'communities of solidarity' at the same time and these may not be neatly integrated, we then can see groups in communities of solidarity that have contrary interests, a contradiction that is not related to the common interest of the community, which people constitute with one another, but rather involves interests that they have in addition to it and which they superimpose on these common interests.

The Linz Party Congress offers an extraordinarily instructive example illuminating this problem. It was really a 'community of solidarity' in a model sense; it achieved complete agreement on all decisions on major questions, on the programme, and on tactics. But this assembly of politicians, who in regard to all matters that actually form the community acted in true solidarity, in other

areas still comprised groups that could only achieve decisions based on the principle of a majority vote. The question of smoking in the hall divided the assemblage into groups of smokers and non-smokers, yet no one can assert that these groups were merely 'of another opinion,' rather, despite belonging to a solidarity community, they had 'another interest' (92), which had to be recognised. Those whose ability to work was reduced by smoke were compelled by the rules of democracy that favoured those whose ability to work was increased by smoking, and it is clear that such a question could only be decided by one side compelling the other, and the issue of how society was structured was not pertinent to the outcome. Socialism will eliminate class differences, but that does not mean that it will eliminate all contradictions of interest. Therefore it seems to us that Max Adler's comment on the majority principle is based on a flawed perspective. The majority principle will not receive 'another social function' (83). On the contrary, because society will have *another social structure*, it will occur only in a few instances. But the majority principle as such *will always remain the method by which those with equal rights determine the actions of society* on issues where there is no unanimity, where there are various interests, or even where these are merely perceived.

When Max Adler says the majority principle 'contradicts democracy' (51), than he has to draw the consequences and say 'democracy demands the *principle of complete unanimity*'. Naturally, he backs away from such a judgment (58), and he arrives at the following, vague formulation: 'it is not the majority principle that is the principle of democracy, rather the idea of the general interest, of the commonweal' (57). Everything becomes clear when we free ourselves from this juxtaposition, when we recognise that the principle of unanimity is to be set against the majority principle and the general interest to that of group interest.

The kernel of truth in Max Adler's reflections is that in all those decisions on issues that constitute the common interests of the community that is a constant *theoretical possibility for the establishment of unanimity*. The question of whether that can be achieved is merely one of the community members' intellect, it is the question of whether in the time at their disposal before the vote, members are able to adapt their thoughts to one another. In this case the majority principle really is only an expedient due to lack of time and a protection against argumentative persons and psychopaths. But since a community does not exist in the abstract, but rather consists of living people, it is also compelled to make decisions on questions that do not touch upon the [the community's] formative interests, i.e., those questions which concern *antagonistic interests* of groups within the community. In these cases the interests of the majority violate (vergewältigen) those of the minority, but this violation simultaneously

serves to *maintain the interest of the community as a whole*. And thus it is clear that the ‘interest of *the maintenance* of the community’ becomes a factor only where the ‘*common* interest of the community’ is lacking, while with Max Adler these concepts are not clearly separated, but instead are conflated with one another in certain places.

In the sphere where the *community interest* is the motive, the majority principle is only an expedient and a substitute for the principle of unanimity, but the majority principle is necessary and will always be necessary, wherever it is necessary to make *community action* possible in spite of group interests.

The principle of equality of rights contained in democracy cannot mean that community action can realise two [counter-posed] actions at the same time, i.e., the one wanted by the majority and the one wanted by the minority, but democracy has the not to be overrated advantage that it simultaneously guarantees everyone participation in the *discussion* and *decision-making* for community action.

Now, we see that Max Adler’s sentence, ‘The majority principle is not the principle of democracy, but rather the idea of the general interest, of the commonweal’ (p. 57), is not only used positively in relation to the ‘general interest,’ but also negatively in relation to the ‘majority principle’. Both the majority principle and the principle of unanimity are consistent with democracy. The first enters into the game where group interests exist; the latter represents an extreme case of the former, which is at least theoretically realisable, where a general interest exists. For a definition of the ‘principle’ of democracy, however, neither the majority principle nor the principle of unanimity, neither the group, nor the general interest qualifies. The definition of the principle of democracy above all must be directly linked to *the content of equality*.

When matters have to do with group antagonisms, there are violations of minority [interests]. We have no reason to hide that even within socialism there will be group conflicts and that therefore minority [interests] will be violated for, in contrast to those group antagonisms that remain, there are enormous ones that disappear: class antagonisms.

In a certain sense, majority rule means that minorities are always subject to *compulsion*. Since ‘dictatorship’ always means *compulsion*, Max Adler believes it expedient to identify both concepts with one another. In order to do that, he must exclude the force [Vergewaltigung] used by minorities against majorities from the concept of dictatorship. For this force he uses the term ‘terrorism’. He says: ‘With terrorism it is the majority that is compelled, with the dictatorship the minority. With terrorism, the beneficiary is the few, with dictatorship the many: in short, terrorism compels “aristocratically”, dictatorship “democratically”’ (97). By ‘dictatorship of the proletariat’ Marx and Engels understood the

class rule of a majority in all its forms; the demarcation that Max Adler undertakes cannot base itself upon Marx and Engels, because they never carried out the reduction of the concept of dictatorship in general to majority rule. For them, not every dictatorship is 'democratic'.

With Max Adler's definition of 'dictatorship' and 'terrorism' the inner contradictions are avoided, which we have perceived in regard to definitions of 'democracy'. But then arises the question of the *efficacy* of this nomenclature.

We just want to add one thing to the remarks that we have made on this matter in a different context in the previous number of *Der Kampf*. On the whole it is certain that what a compact parliamentary majority carries out, moves in the same direction as what the same majority would do if released from parliamentary control, as if it could exercise its rule on the basis of some 'paragraph that establishes dictatorial authority' or even without any legal authorisation. We do not underestimate the meaning of control by the minority, as Max Adler does. We know that a parliamentary majority government in evil as well as good is more limited than one that is uncontrolled. And, above all, we must never forget that [gaining] minority rights, the possibility of limiting bourgeois authority, was the immediate goal in the struggle of the workers' movement for half a century. Lest we forget, just giving a thought to Italy would burn the meaning of these rights into our consciousness.* But, let us take up for a moment Max Adler's thesis that both forms of majority governance bring with them the violation of minority rights and are, therefore, identical, and that both deserve the labour of 'dictatorship'. By saying that, we assert that the effect of established majority rule in both instances would be the same, but we forget then the problem of the *succession* of one dominant majority by another. Even if we wanted to concede to Max Adler that *the essence* of the dictatorship (in his sense) is independent from the methods through which it is exercised, there are differences in their emergence, which today are far less possible to overlook than at the time when Marx and Engels developed their nomenclature.

In order to emphasise the difference in these forms of dictatorship, let us again take up the example of the vote on smoking at the Linz Party Congress. Max Adler would say that the vote was without importance for in either case, with or without a vote, a dictatorship was exercised, the smokers could smoke, and with or without the vote the non-smokers were compelled to bear it. Yes, that is correct. Yet whoever remembers that the majority from party congress

* Friedrich Adler is referring here to the fascist seizure of power, which by 1926 was complete.

to party congress has always become smaller, cannot ignore [the fact] that, without the vote, to put it into Max Adler's words, it could occur that 'terrorism' would emerge from 'dictatorship', without anyone having realised it. Or, to put it more simply: a majority can become a minority and only democratic voting brings this to light. But over and above this it is the method by which the 'dictatorship' of the smoker can be replaced by the 'dictatorship' of the non-smoker.

To us it is self-evident that in the great, historical class struggles, wholly different passions and wholly other instruments of power come into play than in the insignificant issue we drew upon as a methodological example. On these big issues, the Linz Party Programme brings sufficient clarity and, in the dispute over terminology, it also made the practical decision not to use either the word 'dictatorship' or 'democracy' in the sense put forward by Max Adler in his book or in his article in the previous issue of *Der Kampf*. The new party programme uses the word 'dictatorship' only twice. In one passage it considered 'a monarchical or fascist dictatorship' as a typical *minority* dictatorship, and in the second passage, where majority control is really at issue, the term 'means of dictatorship' is *juxtaposed* to the exercise of state power 'in the forms of democracy and with the guarantees of democracy'. In the first case, according to Max Adler's nomenclature, one would have to speak of 'terrorism' and not of 'dictatorship', while in the second case one cannot really express the difference that should be explained through the words 'democracy' and 'dictatorship'.

Max Adler recommends the writings of the great utopians [Henri de] Saint-Simon, [Robert] Owen, and most especially [Charles] Fourier as a 'practical arsenal' (40) for criticising political democracy. We must admit that, as interesting as the citations to be derived are, laying claim to the utopians as allies on this point in particular surprised us the most. For that is the point lying at the heart of their *utopianism*. They had the great insight that, after the sweeping away of the corporate order (Stände), the *antagonism between the rich and the poor* revealed itself all the more sharply. They saw the great *socialist ideal* of a society in which this contradiction could be eliminated, but they were utopians above all because they had no idea that the lever for the realisation of this ideal can only be the proletarian *class struggle*.

And since they were not privy to this great insight of Marxism, obviously the idea was completely alien to them that political democracy can be significant to the proletarian as *an arena of class struggle*. We know that Max Adler cannot seriously stand together with the great utopians on this point, but we are aware of the danger that many of his readers can be led astray by his presentation. And for that reason we hope he will take up his book for a thorough revision,

so that it can fruitfully serve in the further development of democracy in the sense offered by socialism, and not be exploited for burying democracy as the reactionaries aim to do.

Friedrich Adler, 'Zum Streit über die Definition der Demokratie' 1926, *Der Kampf* 19, 12 (December): 518–25.

Max Adler

Dictatorship (1922)

... The problem that concerns us here is, in short, the following: how could Marx and Engels, who as a matter of principle were supporters of democracy, designate the concept of dictatorship as the goal of the proletariat's struggle for emancipation. Are democracy and dictatorship contradictory or not? It will be shown that this problem belongs to the type that is among the most fiercely contested, even though, or because, in reality they are not really problems at all. On the contrary, they assume a problematic character only because they are falsely formulated. Hence they are merely *apparent problems*. From the outset, however, in order to clear a path for an examination of this issue that can be free of obstacles that prevent us from getting to the real issue at hand, I would like to say up front that we are not considering the so-called dictatorship of Russian Bolshevism in this investigation at all. For this in no way corresponds to the theory of Marxism, as the leaders of Russian Bolshevism have themselves explained. According to them, Marx and Engels doubtless understood the dictatorship of the proletariat to be the rule of the proletariat as a class, if not based on its numerical majority – although this is certainly what Marx and Engels had in mind conceptually – then nevertheless based on its economic superiority in the entire social context. Since in Russia the proletariat is neither a majority of the population, nor of decisive economic weight in the organisation of Russian society – as is well known, that lies with the peasants, indeed, since the proletariat as a class in no way demonstrates political maturity encompassing all its members, then Lenin and Trotsky's concept of dictatorship has undergone a fateful modification. It no longer denotes the dictatorship of the proletarian, but rather only a section of that class, the so-called avant-garde, the vanguard, the worker elite. Thus, the dictatorship of the proletariat became a dictatorship over the proletariat, from the dictatorship of class emerged the dictatorship of a party. Trotsky conceded this in his book against Kautsky, *Terrorism und Communism*, in which he said 'the dictatorship of the Soviets has only become possible by means of *the dictatorship of the party*'. The dictatorship would not be possible in any other way: 'The revolutionary rule of the proletariat presumes a party within the proletariat itself with a clear programme of action and an invulnerable inner discipline'.¹ The roots of this modification of the concept of

1 Trotsky, *Terrorismus und Kommunismus*, pp. 90–1.

the proletarian dictatorship, which, indeed, maintains its Marxist terminology but turns away from the spirit of Marxism and leads to that of Blanquism, is found in Lenin's book *State and Revolution*, where it states the proletariat is the only class *capable* of being the leader of all working and exploited masses. From this line of thought Lenin justifies the right of the already class-conscious segments of the proletariat 'to lead the whole people' as an avant-garde.² This way of thinking, which replaces the full emergence of the proletariat's leadership of the economy with its mere ability to do so, also entirely disregards whether the remainder of the 'whole people' will allow itself to be led or whether it will fight energetically in its own economic interest against this leadership. In this way, the idea of the dictatorship of the proletariat, which Marx and Engels saw as the final form of struggle of the whole proletarian class, becomes for Bolshevism the beginning of proletarian class struggle for which it is not at all ready. From the dictatorship of the proletariat, which means the victorious realisation of its own class interest, emerges the politics of a group of leaders on behalf of the proletariat. This is basically only a new variety of enlightened absolutism, which also wanted to exercise its power in the interests of the people.

The Bolshevik dictatorship thus has nothing to do either theoretically or practically with the Marxist problem of dictatorship. Its theory is an attempt to justify tactics that arose from the specific requirements of the proletariat's revolutionary struggle in Russia. Like so much in Bolshevism, it will change along with the latter. Everything that Kelsen has said in his critique of the contradictions of the Bolshevik concept of dictatorship with democracy and with Marxism itself, and which squares in many respects with what Kautsky, Otto Bauer, Hilferding, and I have said, can, indeed must, be put aside if we want to comprehend the meaning of the concept of dictatorship in the context of *theoretical* Marxism.³

² Lenin, *Staat und Revolution*, pp. 41–2.

³ By saying that we do not mean that the Bolshevik theoreticians have not brought many very noteworthy perspectives to our subject. More deplorable is the human weakness of an all-too-revealing circumstance in which the struggle against Bolshevism allows the passion of rivalry even in the Marxist camp to emerge and virtually halt the acceptance of that which is correct and good in the writings of Lenin and Trotsky, to name just a few of the most significant representatives of this tendency. It is not that what they say about the proletarian dictatorship is wrong, but rather, it is that they use it on behalf of the rule of their own party – a handful of proletarians in a backward peasant country – that is the great, and, for the development of socialism, fateful error. On the reprehensible identification of Bolshevism and Communism in the polemics of the socialist party press and literature, which is only suitable for confusing the worker and making him suspicious of the concept of communism,

By showing that, according to Marx and Engels, the dictatorship of the proletariat is only possible when the proletariat represents the majority of the population and that then this concept merges into democracy, Kelsen* thinks he has illustrated the term's most contradictory element. But that does not deal at all with the problem of the relationship of dictatorship to democracy. The question of whether the majority is or is not required for the dictatorship has become so hotly disputed only because of Bolshevik tactics; it overlooks the real problem as Marx and Engels had seen and resolved it. The real essence of the concept of dictatorship is only first grasped when one holds the double meaning of the concept of democracy clearly before one's eyes, whereupon [one sees that] it means both political and social democracy. And then the idea of dictatorship says that political democracy, because it is always a form of class domination, *was never possible and never will be possible without dictatorship*. The dictatorship of the proletariat is then not something outrageous. It is, rather – even when in the form of political democracy – *the replacement of the bourgeois dictatorship by the proletarian dictatorship*.

... In bourgeois democracy there is without doubt a dictatorship of the ruling classes. And this appears in its coarse reality when, in so-called periods of crisis, they suspend state laws, declare martial law, and unleash soldiers, judges, police upon the 'rebellious' masses. Nevertheless, the jurist stands ready and proves that everything occurs 'constitutionally': the Supreme Court 'acknowledges' that no laws have been violated. When is such a dictatorship appropriate? Bismarck's brutal and, in a bourgeois sense, brilliant and statesman-like intellect was closer here to real insight and above all more sincere in its consciousness of power, when he not only legally banned Social Democracy for decades, but late in life characterised the dictatorial nature of the bourgeois domination with the words: 'Social Democracy poses today a greater threat to the monarchy and the state than does war with foreign countries, *and it must be viewed by the state as a question of domestic military power, of power, and not a matter of law*'.⁴ And, along with that, one must consider that this dictatorship is surely that of a minority over a majority and only becomes possible when the

see my introduction to the Viennese edition of the *Communist Manifesto* (2nd ed., 1920, Volksbuchhandlung) and my article on 'Social Education' in the same-named periodical, Vol. One.

* Han Kelsen (1881–1973) was a leading Austrian jurist, legal philosopher, and political thinker. The author of Austria's republican constitution, he was a prolific scholar whose writings placed him at odds with anti-democratic legal scholars such as Karl Schmitt-Dorotič (see below).

4 Bismarck, *Gedanken und Erinnerungen*, Vol. 3, p. 42.

really dominant interests know how to bring large parts of the population over to their side, which believe that their interests are being served.⁵

It is no longer a problem to describe the proletarian dictatorship within political democracy. If the proletariat dominates, it will naturally exercise its rule as a question of power in the face of resistance, as did the bourgeoisie. That press freedom, the right to assemble, freedom of association, etc., in critical situations will have to be limited or abolished for certain parts of the population who throw in their lot with the former ruling class, is not 'a contradiction against democracy'. For until now the issue has always been that of political democracy, which does not have a classless society as its basis. The abolition of democratic freedoms is nothing other than the necessary continuance of the proletarian class struggle, only now using the means of the state itself for the purpose of more rapidly eliminating the remainder of the old system. For that reason, in his letter criticising a draft of the Gotha Programme, which Bebel published in his memoirs, Engels rejected the demand for 'a free people's state' to be founded by the proletariat as an unclear nonsense. 'Since the state is only a passing phenomenon which one uses in the struggles that serve the revolution in order to crush his opponents, it is pure nonsense to speak of a free people's state: as long as the proletariat *still needs* the state, it needs it not in the interests of freedom, *but rather to repress its opponents*, and as soon as freedom can be spoken of, the state as such ceases to exist'. In short, this use of the state for the repression of the enemies of the proletariat, the proletarian dictatorship, is nothing other than 'the state of emergency' of the proletarian regime, which can be seen less as a contradiction to democracy than as the consequence of the presupposition that a proletarian dictatorship in the sense of Marx and Engels is only possible as a dictatorship of popular majority based upon the decisions of the majority.

5 More than in any other country, the development of English constitutional history displays a strong democratic spirit, and, in this sense, as is well known, it has exerted strong influence upon all continental revolutionary movements, especially since Montesquieu. Thus, it is particularly interesting in the light of our above context to see the pertinent comments of a modern English social scientist. 'I assert', writes Thorald Rogers, 'that in the time between 1563 and 1824 the form of the laws whose execution lay in the hands of interested parties reflected a conspiracy whose aim was to cheat the English worker of his wages, to rob him of every hope, and to keep him in irreparable poverty. For over two and a half centuries the legislature and the administration in England have made it their job to punish the worker by keeping him in the depths of a miserable existence, stamping out any sign of an organised resistance, piling up punishment upon punishment as often as he remembered his human rights'.

Here we turn to a very interesting work by Karl Schmitt-Dorotič.⁶ It undertakes to trace the concept of dictatorship ‘from the beginnings of modern thought on sovereignty until the proletarian revolution’, [and], as the sub-title of the book states, historically, as a ‘central concept of the principles of the state and its constitutions’. Admittedly, this concept has become such a political slogan that it explains the disinclination of jurists to consider it. In the face of that Dorotič seeks to construe dictatorship as a legal principle. This occurs through two distinctions that are very meaningful and clarifying. He begins by distinguishing between dictatorship and despotism, and follows by identifying two forms within the former [type]: the *commissarial* and the *sovereign* dictatorship. Every dictatorship bears the character of being an exceptional means, but it is above all a means of realising a definite legal order. This is the difference between dictatorship and despotism. ‘A dictatorship that does not make itself dependent upon success based on a normative set of conceptions, which accordingly does not have the goal of making itself superfluous, is an arbitrary despotism’ (p. viii). A dictatorship revokes existing law, but not to set in its place an arbitrary will: it sets aside existing law in order to fulfil the law. ‘The inner dialectic of this concept is that, even as the norm is negated, its authority in historical-political reality should be secured by the dictatorship. *A contradiction can exist* between the rule of the norm to be realised and the method of its realisation. In terms of the philosophy of law, the essence of the dictatorship lies here, namely, in the general possibility of a separation of the norms of law and the norms of implementing the law’ (p. viii). The commissarial dictatorship is that exceptional form of implementing the law that is normalised in the established constitution, just as Roman law already provides for the appointment of a dictator. The omnipotence of the dictator rests on his empowerment by an organ that is constitutionally established and constituted (130). ‘The commissarial dictatorship abolishes the constitution in concreto in order to protect the same constitution in its concrete existence ... The methodical independence of the problem of realising the law comes to the fore most clearly in such an instance ... In consequence the dictatorship is a problem of concrete reality, without ceasing to be a judicial problem’ (136–7). The sovereign dictatorship is also ‘a form of prosecuting the law that opposes the existing legal order. Rather than preserve the latter, it aims to take action to abolish it. It does not suspend an existing constitution in the name of its con-

6 Karl Schmitt-Dorotič, *Die Diktatur*, Duncker & Humblot, 1921. Schmidt (1888–1985) was an arch-conservative jurist and academic who opposed the Weimar Republic, worked to legitimise the Nazi regime, and remained essentially unrepentant after 1945.

stitutional law, but on the contrary, it seeks to make possible a constitution that it regards as genuine' (137). It also bases itself upon a constitution, upon a norm, but one it will first create. One might believe that this form of dictatorship has removed itself from every legal consideration, that it is merely an act of arbitrary power. 'However, it is not the case when power is assumed which, without being constitutionally constituted, nonetheless relates to any other established constitution in such a way that it appears to be the legitimate authority ... That is the meaning of the 'pouvoir constituant' (original constituting power)' (137). By this Schmitt-Dorotič understands the idea of a people's sovereignty developed since the French revolution, that is the sovereignty of the whole of the people based upon solidarity. The sovereign dictatorship is legitimated, therefore, by the idea of law which lies in every established constitution, and which corresponds to the general will. The dictator here remains the commissar 'but as a consequence of the peculiarity of the not yet constituted, yet constituting authority of the people, *a people's commissar*, a dictator, who also dictates to his subject, without ceasing to be legitimated by him' (x). This extremely lucid discussion is substantiated throughout the book by thorough historical explanations, and, as a result of this investigation, which wholly agrees with our own expositions, emphasises that one 'cannot generally define a dictatorship as the abolition of democracy', because it is only a means for arriving at a definite end (vi). On the contrary, it seems to me that the concept of the sovereign dictatorship understood correctly is explained as well by what I have said about the differentiation of both forms of democracy, as it conversely supports this distinction. For Kelsen's formal-positivist conception of law, both these conceptual discussions will have been fruitless. It speaks for agreement in principle (Kelsen would deny it in the name of 'natural law') that Schmitt-Dorotič initially turns against Kelsen 'for the problem of dictatorship can be as little a problem of law as brain surgery can be a logical problem corresponding to his relativist formalism, which fails to appreciate that we are dealing with something wholly different here, namely with the proposition that the authority of the state cannot be separated from its value' (xi–xii). Aside from the unfortunate comparison with 'brain surgery', I must agree. The meaning of the idea, translated from the ideology of a legal expression into a sociological one, is that the correlation of the 'value' of the state to its 'authority' demands a definite social content which claims for itself the 'authority' of a corresponding form of law.

From the formal legal standpoint, our conception of the proletarian dictatorship as an 'exceptional situation' is also compatible with the Social Democratic idea. One must keep in mind, however, that in order to gain a clear idea of the dictatorship of the proletariat, one must keep the temptation at bay to apply

this concept to the conditions of Russian Bolshevism. What has there been named a dictatorship of the proletariat, and is still named as such, as we have already shown, is far from the essence of this concept in the Marxist sense. According to the latter, it always stands for class domination, thus the domination of the proletarian class, whereas in *Russia* it isn't even the majority of the proletariat that exercises the dictatorship, but only a party, indeed, in principle it is only a small group of determined revolutionaries, who theoretically pursue the interests of the proletariat, and, under very unique conditions, *exercise a dictatorship over the whole society* including the proletariat. If one disregards these circumstances, which bear the name of a dictatorship of the proletariat, but in reality mean nothing more than the terrorism of a party, then it is completely clear that so long as the democracy is merely a political one, that means, as long as it is built upon an economic class antagonism, even the most perfect parliamentary system does not prevent the denial of minority rights, but justifies it, in the service of a majority rule. As long as a state is split by economic class antagonisms, even if it has a democratic suffrage, it has no representation of the whole people, because the population within it is not united in solidarity. In the forms of parliamentary self-determination there occurs, then, merely a part of the class struggle. And the democratic parliamentary majority in a class state is always the will to power of the class that commands the majority, which, by means of this authority, imposes laws upon the minority and compels the observation of these laws. If Marx once spoke of the dictatorship of the bourgeoisie, it was not, as Kelsen opined, a proof that this concept was only terminologically revolutionary and was, in truth, evolutionary, because the bourgeoisie only exercised this dictatorship in parliament.* On the contrary, this merely confirms our own thesis that political democracy and dictatorship are two sides of the same coin. Therefore, Marx also used *the parliamentary republic* in France with Louis Napoleon at its head as an example of 'a government of unconcealed class terrorism'.⁷

* Hans Kelsen, *Das Problem der Souveränität und die Theorie des Völkerrechts* (Tübingen, 1920), p. 97.

7 K. Marx, *Bürgerkrieg in Frankreich*, p. 44. If Karl Kautsky in his essay 'The Dictatorship of the Proletariat' writes that 'Democracy means the domination of the majority. But it means no less the protection of the minority', (p. 15) then I cannot agree with him in the light of what I have been discussing. The idea of democracy is, as we have argued, the self-determination of the unified (solidarisch) people. This corresponds to the unanimity of the vote. From this standpoint, the majority decides not because it is the greater number, which in itself would not be legal reason for a decision, but rather because the majority vote is the only possible method of ascertaining, of querying, the members of the community about the interests of

*Dictatorship and democracy are thus not contradictions, because they cannot be set against each other.*⁸ Dictatorship itself is a form of democracy, namely of the political [type]. One can only say: democracy and terrorism are contradictions, because terrorism always means the power of a minority. And one can say as well that dictatorship and social democracy are contradictory because social democratic majority rule without a conflict of vital interests is not domination of the minority, but rather it is an enactment in its name and [according to its] will. That is the real meaning of Lenin's comments against which Kelsen misleadingly polemicalised.* [Lenin noted,] 'We do not expect a societal order in which the principle of the subjection of the minority by the majority would not be valid',⁹ and several lines before that: 'Democracy is not identical with the subjection of the minority by the majority'. Kelsen finds a contradiction here. However, from the complete context of this discussion it is clear what Lenin meant: in the societal order after the elimination of class antagonisms the subordination of the minority certainly occurs, but the majority does not violate (*vergewältigen*) its [rights]. *Social* democracy is not identical with the subjugation of the minority by the majority because the latter has no dominant interest. Here the minority subordinates *itself*. In a political democracy, in contrast, according to Marxist terminology in the state, it is forced into subjugation by the whole system of state power. What happens, asks Kelsen, if the minority does not subordinate itself? Lenin's answer, Kelsen finds, is also contradictory. He asserts that Lenin, who has indicated that this subordination is necessary even in the future society, now suddenly denies this necessity. Lenin said: 'In our striving for socialism, we are convinced that it will develop into communism, and in that context any need for violence against people in general, for

the united whole. In this case – that is with Social Democracy – protection of the minority is a matter of pure expediency. It is quite conceivable, for example, that in a unified body (*solidarischen Körper*) all precautions defining the majority or a certain minimum number of voting delegates could be found to be superfluous to business and discounted. With political democracy, on the other hand, the protection of the minority is not a principle of democracy itself, but rather a demand of the opposition, the implementation of which occurs only through the power of the minority, that means through the degree of power outside the forms of democracy that can be marshalled against the majority party.

- 8 Rosa Luxemburg says quite well in her posthumous work *Die russische Revolution*: 'the basic error of Lenin and Trotsky's theory is plainly that, like Kautsky does, it sets democracy in contradistinction to dictatorship. "Dictatorship or Democracy" is the way the question is posed by the Bolsheviks and Kautsky ... Yes: Dictatorship! But, this dictatorship exists in the way it is applied by the democracy, not in its abolition ...' (pp. 114 and 116).

* Kelsen, *Das Problem der Souveränität und die Theorie des Völkerrechts*, p. 98.

9 Lenin, *Staat und Revolution*, p. 122.

the subordination of one man to another, and of one section of the population to another, will vanish altogether since people will become accustomed to observing the elementary conditions of social life without *violence and without subordination*'. To that Kelsen strangely remarks: that means that we are to expect a societal order without subordination.* He thereby ignores completely the distinction between subjugation and subordination, between a heterogeneous and a homogeneous minority – he constructs his social forms once again in his merely formal concept which lacks air and quality and according to which of course subjugation is also subordination. Therefore a society without subjugation is one without subordination, as if subjugation and subordination were identical. We will come back in depth to this important sociological differentiation and the question of societal compulsion with our discussion of the supposed anarchism of the Marxist conception of society.

Now, only one objection remains, that the dictatorship of the proletariat, when it no longer emanates from a minority, but rather from a majority, becomes a superfluous phenomenon made unnecessary by democracy. For if democracy is presumed to be the basis of the proletarian dictatorship, then opposed to the overwhelming majority stands a small group of capitalists, landowners, and social parasites of all types. Does that mean shooting at sparrows with canons? What is the point of the repression of a tiny group of former oppressors who now are powerless? It suffices to turn the new laws against them, just as they can be turned against anyone, for example, a proletarian who wishes to resist them. What is the point of using violence and emergency laws against this small minority?

But such a question and the point of view that underlies it is possible only when one considers matters formally and sees only the numerical differences among parties within the new organisation of the state. In this conception, along with their dominant position, the defeated members of the ruling classes lose their class outlook and their class interests. This conception is connected with that mechanical understanding of economic determinism that we have already rejected in the chapter on ideas of class. Recall how we perceived that the essence of a class is dependent upon the ideological factor of class consciousness, so that it is quite plain that a class does not cease to exist until the economic conditions which led to its creation and its continuance are swept away. As long as members of this class exist who have the will to recreate it, who represent the interests of this class position in their intellectual outlook and in their habit of rule, and who are ready to propagate their intentions and

* Kelsen, *Das Problem der Souveränität und die Theorie des Völkerrechts*, p. 99.

interests by recruiting peers in their generation and raising the youth in the same spirit – as long as this class exists then class antagonism continues. And this antagonism is all the more dangerous because, in spite of its majority, the proletariat cannot establish the new socialist society at once, and in many areas of economic, political, religious, and cultural organisation significant remnants of the old society must be carried forward for a long time that could provide new starting points for class-based reaction. That is why Lenin wrote in 1905 against those who found it strange to use force against a minority: ‘They err because *they do not see this phenomenon in its development*. They forget that the new power does not fall from heaven, but rather beside the old, against the older power. It arises and develops in struggle against them.’¹⁰ In short, they overlook that the mere form of democracy says nothing about its content. No repression is needed, although it often occurs, against a minority which itself stands on the terrain of the ruling class, which only wants the latter to exercise power differently or to let it participate in that power. However, as soon as the minority wishes to overthrow this class domination, its momentary lack of power is no reason to spare it, because given the opportunity to seize greater power they would take it. Indeed, the difference is not considered as a matter of law, but we see here again how damaging it is to neglect the difference between a class and a party in sociological criticism of the Marxist concepts. The dictatorship of the proletariat is the violence of one class against the other, not against a party, violence that must be continued not only until the overthrow of that class, but until it is annihilated, because only then is a classless society possible. To speak here of a handful of people and to wonder why one must use violence against them, means also to wonder how force against a handful of Carlists turned Central Europe into an armed camp in October 1921.* The whole matter is only a problem at all for a juridical representative of democracy, or better, for a bureaucrat of democracy, who has no pigeonhole for historical reality in his registry.

The Bolshevik theorists have developed this real sense of the proletarian dictatorship as class violence very well in their writings. On this point they do not err at all in theory, for they have set in the correct light that which some Marxists have forgotten. The one mistake they make is their incorrect application of the theory to their own politics. Thus, it is certainly a fateful error when, in the ninth of their ‘Theses on the Social Revolution’, they say:

10 Lenin, *Zur Frage der Diktatur*, Vienna, 1921, p. 14.

* The reference is to the failed efforts of royalist forces to restore Emperor Charles I (1888–1922) to the Austro-Hungarian throne.

'Until now one taught the necessity of the proletarian dictatorship without investigating the form of this dictatorship. The Russian socialist revolution has discovered this form. It is the form of the Soviet Republic as the form of the permanent dictatorship of the proletariat and (in Russia) the poorer strata of the peasantry'.¹¹

Yet, the inclusion of the poorer peasants 'in Russia' proves that here one cannot speak of a dictatorship of the proletariat. And the internal history of the Soviet Republic, with its terrible struggle for survival against the peasants, and with the final capitulation of communism to them, proves that one cannot talk about the solidarity of interests of these classes, which alone can provide the basis for the dictatorship of the majority of the population. What remains is the dictatorship of the central government in Moscow. But in spite of this deadly contradiction of Bolshevik theory and praxis, which has resulted in the progressive dismantling of the economic and political 'dictatorship of the proletariat' in Russia,¹² the tenth thesis expresses the character of the dictatorship of the proletariat very well as violence, which even inside democracy remains essentially violence of one class against another.

It states: 'the meaning of the proletarian dictatorship exists in a so-to-speak *permanent state of war* against the bourgeoisie. It is thus quite clear that all who decry the violent actions of the communists forget completely what dictatorship really means. The revolution itself is an act of "raw violence". The word dictatorship in every language means nothing other than a regime of force. *Important here is the class content of the violence.* That is what provides the historical justification for revolutionary violence'.¹³

At this point I would like to add a remark relating to the distinction Kautsky makes on the concept of dictatorship. He differentiates between the dictatorship as a form of government and that of a condition, by which he means only the first is to be contested. That is because for him there is also no question that, during the transition from capitalist to socialist society, the proletariat must establish temporarily a condition of dictatorship.¹⁴ Yet, his distinction is not clear to me, rather it seems suited to evoking a misunderstanding of the concept of the proletarian dictatorship. What Kautsky evidently means is that one must guard against the dictatorship of the proletariat as a *permanent* form of the socialist society, rather than as a *temporary* condition of the transition.

11 From Karl Kautsky, *Die Diktatur des Proletariats* (Vienna, 1918), p. 61.

12 Compare Max Adler, 'Die Wandlungen des Bolschewismus', *Der Kampf*, Vol. 14, Heft 8 (1921); and Otto Bauer, *Der neue Kurs in Sowjetrussland*, Vienna, 1921.

13 K. Kautsky, *Die Diktatur des Proletariats*, p. 61.

14 K. Kautsky, *ibid.*, pp. 20–1.

This idea is expressed poorly by juxtaposing the concepts of governmental form and condition against each other. For of course the mere *condition* of the dictatorship of the proletariat, although it is and must be only a passing phase, is, nonetheless, *over the course of its existence necessarily a governmental form*, namely that of the rule of the proletariat, of the proletarian *state*. Furthermore, the length of time of this transitional period cannot be determined beforehand at all, but this also is of no importance for a theoretical understanding of the dictatorship. The transition may take years or decades, yet *theoretically* it is a passing condition, that is to say, not only in the sense that ‘everything changes’, but rather in the specific Marxist meaning that its overcoming, its systematic dismantling, is a conscious goal of the proletariat’s governmental activity. But, precisely because of that it is a *long-lasting*, permanent condition *within the framework of this activity itself*, until it has arrived at its goal. When Kautsky polemicalises against the ‘Theses on the Social Revolution’ because they speak of a ‘continuing dictatorship’, of a ‘permanent state of war’, and (in the ninth thesis) even of the dictatorship, by stating ‘Here the discussion is not of a passing phenomenon in the narrow sense of the word, but rather of a form of state that lasts during an entire historical epoch’,¹⁵ his polemic can only speak to the Bolshevik identification of the Soviet Constitution with the dictatorship of the proletariat, and perhaps that is all he intends. But there exists the danger that his critique of the much-discussed theses will also be related to the concept of dictatorship itself, and there one must say, that – once its content is separated from its application to Russia – it is to be considered an excellent characterisation of what Marx and Engels understood by the dictatorship of the proletariat. There can be no doubt that this dictatorship *must continue* for a whole historical epoch, namely that of the transition from capitalist to socialist society, that during this period it must maintain a form of government, that of the proletarian state, and by that means – upon the foundation of democracy, to be sure that of political democracy, indeed as a product of the latter – maintain a permanent condition of war against the bourgeoisie.

Thus, from our standpoint, the vexing problem of dictatorship and democracy is solved. The dictatorship of the proletariat is only possible in democracy; that means it is borne by the overwhelming mass of the population, but it is completed through democracy and exercises violence as democracy. *A contradiction exists only for those who think here of social democracy, within which certainly a dictatorship is impossible, but that is a form of state that does not yet exist and can only first be created under conditions of the dictatorship of the pro-*

15 Kautsky, *ibid.*, p. 61.

letariat. If social democracy is a social heaven, as our opponents sneer – we will speak of that further – then it is fruitless, as long as we live on the earth of political democracy, to demand that we share its blessings.

Max Adler, 'Die Diktatur' 1922, in *Die Staatsauffassung des Marxismus*, Vienna: Verlag der Wiener Volksbuchhandlung, 188–204.



Political or Social Democracy (1926)

The double meaning that the concept 'democracy' carries within itself and which forms our point of departure now has become completely clear. The word 'democracy' indicates, on the one hand, a merely *political fact*, namely political equality in the state and in the community. On the other hand, it indicates an *ideal fact*, namely the social equality of all citizens in the common whole. The confusion [caused by] this double meaning becomes all the more damaging as the latter is most closely bound up with the sense with which we currently understand the term democracy. Presently, we understand it to mean the rule of the people, whereby the people (*das Volk*) at all times form an intellectual (*geistig*) and moral (*sittlich*) community. Therefore, the concept of democracy is connected immediately to the notion of an ideal, because one sees oneself placed immediately upon the terrain of a common interest.¹⁶

16 Democracy did not always have this meaning. In the time of the ancient Greeks the word democracy had the meaning of the rule of the many over the few, which is why Plato and Aristotle viewed the constitutional form of democracy as one that did support the moral purposes of the state and rejected it. And, in reference to the time of the French revolution, Max Beer (Austrian-German Marxist, 1864–1943. ed.) in his *Allgemeine Geschichte des Sozialismus* made the very insightful remark, which we will come back to, that in the political language of the first half of the nineteenth century, one saw democracy as the demand for control by the working strata of the population, above all the working-class (M. Beer, a.a.O., pp. 406–7). Similarly, also James Bryce, 'Moderne Demokratie', Munich 1923, I. Vol. I, p. 20. Very characteristic of this conception of the concept of democracy, which is also that of Marx and Engels in the *Communist Manifesto*, is M. Guizot in his *Democracy in France*, where the concept of democracy is simply seen as the principle of social dissatisfaction. 'What is intended by the adopted words "democratic Republic", asked Guizot, 'which are established as the official name [and] as the symbol of the government? It is the echo of an old cry, of the Civil War ... a cry, that is raised by certain

When one ordinarily speaks of democracy, the thoughts and emotions of this ideal of the people's community are immediately attuned; the state under democratic rule then appears as a people's state, and an institution for the general public, an organ representing the interests of the whole.¹⁷

In reality, however, the democracy that we now have is none of these things, indeed it cannot be. For as long as society is divided by economic class antagonisms, it is not a coherent whole, and it cannot itself give expression to common vital and developmental interests. In this reality democracy becomes embroiled in the clash of class interests. Far removed from being a means of securing the common interests, it is instead the most important means of representing the special interests of individual classes. It has no other way of coming to a decision in this struggle than the winning of a majority. And, thus, the majority principle appears as the soul of democracy, although that itself contradicts democracy as the idea of safeguarding the common interest, since the interest of the majority subjugates the interest of the minority.

Under the rubric of democracy, two quite different and contradictory concepts intersect: a concept of peace, which derives from the solidarity of the whole and rests upon the free expression of all of its members, and a concept of struggle, which arises from the conflict of interests within society and whose solution will depend upon political equality. This latter form of democracy is the only one possible in bourgeois society, that is, within the class state. The other form of democracy, on the other hand, is that which can only occur in a society based on solidarity, that is, a classless society. Now usually when one speaks of democracy, indeed the democracy that is possible today, one thinks, nonetheless, at the same of the idea of democracy, not wanting to forgo its ethical sense. Therefore, if one wishes to avoid these contradictory concepts creating confusion in any conversation, one must first ask, before one enters the discussion: *'What kind of democracy are we talking about here? Are we talking about democracy in a class state or a classless society?'* Only in this framework can we avoid continual misunderstandings and confused points of view, and thereby come to realise that we are not simply talking about democracy, but are

classes angrily against the others, which it now, with terror, hears raised against itself' (*Deutsche Übersetzerzeitung*, Vienna, 1849, p. 19).

17 For the history of the ideation of this highly significant concept of democracy, which relates it to the idea of a free, self-defining community, see the interesting section of Marx's exchange of letters with Ruge in the *Deutsch-Französischen Jahrbüchern*: 'People's sense of self, freedom, would arise for the first time in the breasts of these people. Only this feeling ... can generate out of society a community of persons directed to their highest goal, a democratic state'. Marx-Engels *Nachlass*, Volume One, p. 366.

at the same time beginning to clarify the whole host of issues that are the fundamental problems of socialist politics. Then, for the first time, we will begin to see that the democracy we currently have *is not democracy in the sense of the idea at all*, and it cannot become so regardless of any political advances and reforms. Real democracy does not exist. In short, we are led to the insight that *the democracy we have is no democracy* and that *we do not yet have real democracy*.

And now, in order to have good labels that can differentiate these fundamental concepts, I have proposed calling the democracy that we now have, the only one possible in the class state, a *political* democracy, and calling the democracy we want, which can only come about in a socialist society, a *social* democracy.¹⁸

One can also call political democracy a *formal* democracy, because in it the entire content of the democratic idea of equality is limited to the mere form of legal equality. If I have, nevertheless, used the term political democracy, for which I assert no preference at all, I do so because it stresses the close relation of formal democracy with the state as a form of social life lacking solidarity. This expresses, therefore, the idea that the overcoming of formal democracy also presupposes the overcoming of the state, i.e., that form of political organisation in a society based on class rule. In this way one can guard against the view that the liberation of democracy from its formal essence is possible within the state, when, for example, it takes on economic content and moves toward economic democracy. We will discuss this more fully below [Chapter 15].

On the other hand, perhaps one will have expected that in place of the designation 'political democracy' one also can set the widely used and very definite term 'bourgeois democracy'. This alone would not exhaust the real meaning of the term 'political democracy'. For, as we will see, this concept also includes that form of democracy in the class state in which the proletariat will conquer democracy and use it to rule the state. For this democracy, too, is still democracy in a class state, not social democracy. And because it is not only our next goal, but will also mean a long period of historical development toward a socialist society, it is necessary, therefore, when differentiating the double meaning of the word democracy, to choose the designation of the one sense of democracy, the formal sense, which comprises the important historical formation of formal democracy. Otherwise new misunderstandings will arise from the mixing up of proletarian and social democracy. Proletarian democracy is the necessary transition to social democracy, but not social democracy in itself.

18 See Max Adler, *Die Staatsauffassung des Marxismus*, p. 126.

Having made clear the differences between the two meanings of the term democracy by naming them, it is now appropriate to draw the consequences. In the course of this analysis, the real essence of democracy will be fully displayed and it will emerge ever more clearly that social democracy and socialist society are basically interchangeable concepts, as are political democracy and the class state.

Max Adler, 'Political or Social Democracy' 1926, in Norber Leser and Alfred Pfabigan (eds.) 1981, *Max Adler: Ausgewählte Schriften*, Vienna: Österreichischer Bundesverlag, 176–8.



Towards a Discussion of the New Party Programme (1926)

I

The need for a revision of the party programme is undisputed. But, it is important to be clear about the reason for this need, because clarity over this point will be decisive in giving direction on the way this need will be fulfilled and the new form of the programme carried out. And, it cannot be stressed sufficiently that this need to renew the party programme has not arisen because the basic findings of Marxian socialism and the principles derived from them are in any need of reform. There can be no question of that. On the contrary, the vast experience of almost eight decades since the publication of the *Communist Manifesto* has shown us in ever clearer ways the unshakable strength of the Marxist analysis of the historical process in general and the capitalist economy in particular. If it were only about proclaiming the great guiding perspectives of modern socialism (the economic inevitability of the expansion of capital's domination, the reproduction of the proletariat in expanded form, the worsening of class antagonisms, the necessity of class struggle, the economic preparation of a socialised society within capitalism), the modern workers' movement would still not need any other programme than the *Communist Manifesto*, which will soon celebrate its eightieth birthday. This powerful document contains the foundations of scientific socialism, and thus it is self-evident that, from the outset, the draft of a new Austrian party programme calls for developing its content 'based upon the lessons of scientific socialism'.

When, in spite of this unshakeable theoretical foundation, an ever stronger need for a new formulation of the party programme has arisen; this need can only have emerged because socialism today has been powerfully challenged by

the enormous economic and political development of recent decades, which had not existed for it earlier. These challenges include the determination of the relationship of the socialist workers' movement to the imperialist economic policies of states, a decision on the question of whether advocacy for the self-interest of the state in which the proletariat lives is compatible with its international struggle, an answer to the question of participation in the government, a declaration on war and peace, and an opinion about the development of the international league of nations. All these questions, which have long been at the core of the socialist workers' movement and concerned both party conferences and congresses even before the war, only now have achieved elevated importance and require rapid solution because through democracy's victory in the whole of Europe and through the growth in the power of the working class, the latter has become a co-determining factor in the politics of the state. So it has become necessary to test the mettle of Marxism's basic insights on these new tasks, which means, on the one hand, to draw them into the experience of these tasks, and on the other hand, to thereby augment them. So for a programme that is and can remain Marxist, because it does not need to revise the theoretical basis provided by Marx, the task arises of making clear the fact of Marxist theory's continued effectiveness and solidity to those who are its opponents and to those who are its doubting, vacillating adherents. It has to show that all the new tasks of the proletariat can only be solved in the spirit of the *Communist Manifesto*; that means they can only be overcome by the idea of the absolute intellectual chasm between bourgeois and proletarian consciousness and by the revolutionary abolition of the class state by the classless society. The *new* demanded by the new programme is that complex of issues now facing the proletariat and just discussed. The *old*, on the other hand, must be that basic knowledge of the class struggle which shows how none of these problems can be solved in the sense of the proletariat within the established economic and political world; indeed, how within this world there is no hope of actually bringing about the liberation of the working strata of the people with the means of bourgeois culture, bourgeois economy, and bourgeois democracy. On the contrary, *any answer lies beyond the capitalist world, in a future which can first become our present when capitalism becomes our past.*

In this regard the programme cannot speak decisively enough. For one must give attention to the fact that the programme at present has another task than merely declaring our principles, as was the case in our pre-war programmes. For all the former programmes dealt with only a popularisation of the train of thought contained in the *Communist Manifesto* and connecting it to the demands of the day. These programmes, especially the *Erfurt Programme* in Germany, and the *Hainfeld [Programme]*, as well as the *Vienna Programme* in

Austria, were not chiefly concerned with the full range of the day's practical problems. These could easily have led to great differences within the party, and thereby to a serious weakening of basic socialist views. Moreover, they encountered a much more unified revolutionary class-consciousness among the proletariat, something that does not exist today because of the divisions of the socialist internationals. Therefore, the task arises for today's party programme to be *simultaneously* a declaration of principles and an agitation leaflet, simultaneously a programme for action as well as a clarification of scientific principles. We cannot be satisfied, as before, with the shorter programmes. It must thoroughly derive the new consequences from the old principles and dispel the many contradictions and misunderstandings about them. The programme also cannot be simply didactic, on the contrary it must awaken the revolutionary energies of the proletariat. Finally, it cannot just deal with contemporary tasks, as important as these might now be, but it must maintain the enthusiasm for the idea of the socialist future from which all contemporary tasks *derive their socialist meaning*.

II

The draft programme that lies before us fulfils these demands in large measure, especially in regard to its – in salutary difference to the *Heidelberg Programme* – having made the guiding principles of Marxist socialism, most particularly the idea of class struggle, its most fundamental element. Consequently, in its second section discussing 'the class struggle' and even more in the third section on 'the struggle over state power', the draft programme uses a language that one is no longer able to find in the speeches and writings of all too many of our party comrades, who have practically erased the term 'class struggle' from their thinking. Also, in the first section dealing with 'capitalism' the draft explains with masterful brevity the essence of the capitalist economy in its imperialist form. If, nevertheless, the draft appears to me to require improvements in places, this is linked to the circumstance that Oskar Pollak, another critic of the draft, has already raised. The entire proposal was written with much too much concern for taking positions on contemporary problems. As Otto Leichter has pointed out, the result is not only that it fails to characterise those economic necessities showing how socialism must emerge from the inherently contradictory unfolding of the productive forces in capitalism; but also it lacks evidence showing how even in democracy the capitalist system cannot unfold without contradictions. Capitalism has become too narrow a framework for the economy as well as for democracy, and in both cases the means of opposing it will not be derived from the bourgeois economy and democracy, but rather only by overcoming them.

Allow me to explain this in reference to point 3, the most important point of the party programme, on ‘the struggle over state power’.

The draft programme offers a clear, indeed self-evident alternative for the struggle of the proletariat for state power, which is laid out completely in section three. The proletariat will conquer state power *either peacefully or by force*. The peaceful conquest is equated with a *democratic* one, the violent conquest with *the dictatorship* of the proletariat. At the same time, the first form is imagined as a *gradual development* in the assumption of power, the latter, on the other hand, as a *revolutionary conquest*. Hence, at the end of the third section, the ‘democratic means’ and the ‘revolutionary means’ are counter-posed. The whole of section three is dominated by the conception of democracy and dictatorship as *antitheses*, just as the democratic and revolutionary paths to power are antitheses, so that, consequently, it is understood that the democratic seizure of power by the proletariat is a peaceful process and the revolutionary one is not. I want to note here that anyone who knows the author of the draft knows that this is actually not his understanding. But that is of no matter here. On the contrary, this is about the draft of section 3, which leaves too much room for crass misunderstandings. Already in a polemic on another point – to which we will return – with our comrade Paul Levy, it was admitted in the *Arbeiter-Zeitung* of 7 September of this year that it is in any case good to do everything possible to protect the text of a programme from the possibility of misunderstandings. This is all the more necessary, when, as I don’t need to explain any further, within the Social Democratic Party today there exist currents that are too strong and that are psychologically very ready to take up such misunderstandings in order to make theories out of them that would reduce the sharpness of class conflict in favour of a politics of compromise. Otto Bauer’s theory of the balance of class forces, which became for some a kind of philosophy of coalition [politics], encountered just such a fate and must serve as a warning.

The alternative: ‘democratic or violent’, which is the draft’s starting point, arises from an unsatisfactory definition of the concept of democracy, which is a consequence of the ambiguity of the concept itself. For that reason the discussion of the essence and boundaries of democracy is today one of the most controversial issues, and not only in Marxist literature, because the word is used with two wholly different meanings. On the one hand, one understands by democracy the political equality of all competent members of the state, and, on the other hand, the free self-determination of the people. Now, it is clear that the actualisation of democracy in the first instance is satisfied merely by equality under the law. Conversely, the free self-determination of the people is dependent upon there being a ‘people’, that is, a community based on solidarity,

which is not possible without *economic* equality. This is completely impossible, however, as long as there is a class-based society, as long as class contradictions generate an unbridgeable chasm between the bourgeoisie and the proletariat. This has been clearly developed in the second section of the draft programme; indeed, it is one of the draft's best parts. Against the many highly critical voices asserting that the principle of two opposing camps within capitalist society is all too primitive, the draft has found the courage to return to a principle, not primitive, insight of Marxism. It is necessary, therefore, to make a clear distinction with words between these two different meanings of the concept of democracy, which at the same time represent two different historical and social levels of development. I have proposed calling the democracy of mere political equality *political democracy*. Conversely, I call the other, which is oriented around the solidarity of all the members of the community, *social democracy*. It is now clear that the democracy possible in a class state – even when well established – can never become a real democracy (a community based on solidarity). Conversely, real democracy will only be possible in a socialist society, therefore after the overthrow of the class state. And from this result comes the additional insight *that all forms of political democracy*, even that of the proletarian state which is built with democratic means, *are thoroughly undemocratic*, in the sense of social democracy, i.e., of real democracy.

Thus the essential, basic insight that we can derive from this sociological conceptual definition of democracy is that *all* forms of political democracy are forms *lacking solidarity*. This is because, within [the framework] of equality shared by members of the state, in the final instance class antagonisms decide about the distribution of power and influence on the government. And even if a temporary situation occurs in which the power of the classes is reciprocally held in check, the draft programme shows precisely how this can only be a temporary condition in which both economic camps strive for dominance. *Thus, democracy is a continual war of economic antagonisms*, and cannot be otherwise within a capitalist society. And it is not merely a *peaceful* war of opinions and votes, but rather as soon as the entire structure of the society is at issue, that is, when it is about defending acquired positions of power or conquering new ones, then historically it has always been a war fought by extra-parliamentary means. Nothing is more false than the idea that still haunts many minds that the development of democracy occurred along democratic paths. Every step forward was achieved upon the barricades, before summary tribunals and military courts, and through 'undemocratic' struggles of every kind where individuals were prepared to sacrifice themselves. Even in a fully developed democracy the will of the majority cannot really be implemented as a decision of the majority. It is, rather, precisely here that it becomes clear

that it is always at the same time an act of domination of one by the other, forced through by economic and military superiority. Thus, political democracy appears to function as a mere voting mechanism on all questions that do not in any way threaten the vital interests of the ruling classes. Its real character as a *mechanism of oppression* is revealed, however, as soon as such cases arise. The majority then annuls the constitution and, indeed, *the power of democracy*, precisely because it is the majority. It declares a state of emergency and of martial law, appoints emergency commissions, as occurred, for example, in England during the general strike – *in short, it shows through these actions that the essence of political democracy is the dictatorship of one class over the other, by dint of its majority*. And that applies to every democratic majority, not only that of the bourgeoisie, which hitherto had it alone, but also to the proletariat, which hopefully will have it soon.

One should finally break the habit of considering political democracy and dictatorship as contradictions. This view has mainly arisen because Bolshevism has labelled its terroristic minority government as the dictatorship of the proletariat, which, however, is completely wrong and in contradiction with the Marxist principle of dictatorship. The concept of dictatorship itself has been confused by the nonsensical tactics of the Communist Parties, which wanted to drive the proletariat to such minority terrorism everywhere, and by the passionate and necessary struggle against such theories. Indeed for the proletariat the idea has been maligned. Let us assume that Marx and Engels had always conceived of the rule of a proletariat that had become a majority, then we see immediately that political democracy and dictatorship are not only not contradictions, but rather that democracy in the class state has been and will be effective only via dictatorship. The conquest of political power by democratic methods means – Marx and Engels have once again impressed this upon us – nothing other than making possible the dictatorship of the proletariat as the latter becomes a majority in the state.

One should not believe that thereby, as the proletariat achieves the majority, the dictatorship becomes superfluous. To eradicate such a misunderstanding is precisely the purpose of the distinction between political and social democracy. Only in a community based on solidarity will the majority decision be merely an administrative decision. Conversely, within class society the majority decision remains an act of class rule, whether it is the rule of the propertied or those without property. It is a very good point when Comrade Theodor Dan, in his valuable article 'The Crisis of Democracy and the Crisis of Dictatorship' (in *Die Gesellschaft*, September 1926), uses this distinction between political and social democracy, as I have set forth repeatedly, and therefore rightly underscores that the dictatorship of the proletariat has the same meaning as the

permanent class rule of the proletariat, and 'the perfect subordination of the entire state machine (legislation, administration, justice) in the interests of the working people, just as it exists today in the interests of the possessing class'. In his essay on the party programme in the previous issue of *Der Kampf*, Otto Leichter rightly has shown that, with the conquest of the democratic majority, state power is not yet fully mastered; then the 'struggle must begin against the extra-parliamentary means of bourgeois power'. And, whether this battle is to be fought with merely democratic means, especially if one considers that the use of these means also provides the defeated enemy with a mighty weapon, is no longer a question of 'democracy', rather it becomes a question of tactical needs. This, especially, *from the standpoint that proletarian democracy will be and must be something quite different* than bourgeois democracy. For the latter sees democracy as nothing higher than political equality in the state, and if it has repeatedly violated this [principle] in practice, it was in *self-contradiction*, a point socialist criticism has continually brought out. Proletarian democracy, on the other hand, sees itself only as a transition to something higher, to the solidarity of social democracy. And, if in its struggle for this higher state, it must limit equality, then *it does not fall into self-contradiction with its own goals*, but rather it shows that it has freed itself from the erroneous bourgeois ideology of democracy.¹⁹

Thus, we see that the concept of democracy as political democracy, that is, that democracy which exists temporarily by itself, on the one hand does not stand in contradiction to the concept of dictatorship, and, on the other hand, is not identical with social pacifism, as many in the party think, who distinguish

19 Perhaps many will say that fascism, too, could be justified by the argument above. Initially, one must solely consider that democracy always has to do with the majority, but then precisely this is an essential point for a correct understanding of political democracy, *which in and for itself is a formal principle*. Otto Bauer has constantly emphasised this, and pointed out how every kind of content, even monarchical or reactionary, can be combined with the democratic form. We have also seen how, in the recent past, Mussolini could claim fascism is the completion of democracy. What political democracy means culturally and socially lies not in its form, but rather wholly in the spirit, which it fulfills, and in the interests that want to bring it to victory. Therefore, it is quite non-sociological to equate proletarian democracy, when it uses its force against minorities, with fascism. For it depends on the *sociological function of compulsion*, that means, on whether this [compulsion] is used by a majority *to maintain* class society, i.e., that form of societal life without solidarity, or it is used *to overcome* class antagonisms and thus to build a new and higher form of social life. Thus, one must be careful to see that the criteria of the higher societal form is not merely a subjective evaluation, but rather is objectively determined by the economic antagonism of united (solidarisch) and disunited (unsolidarisch) society.

democracy as an ‘evolution’ to socialism from dictatorship as a revolutionary means to that end. To educate the proletariat properly into the correct class spirit it is imperative that the programme leave no doubt *that the democratic development includes dictatorship as a necessary element of it*. The democratic conquest of state power by the proletariat must mean, if it is to be a path to socialism, nothing other than carrying out all the measures that lead to the overcoming of capitalist society, indeed, upon the bases of majority decisions – that is what is democratic – but at the same time exercising all necessary, eventually even ‘undemocratic’ means against the minority.²⁰

If in this sense democracy and dictatorship are not opposites, this is the case, nevertheless, in respect to the concepts of democracy and civil war. Among the greatest and most underappreciated merits of the draft is that it designates civil war as one possible, indeed necessary, way, under certain conditions, to conquer state power. But it is confusing and likely to support the misunderstood view of dictatorship outlined earlier, if the draft programme first mentions the dictatorship here and thus kindles the idea that dictatorship is merely a means of civil war and to be exercised only at that time. Understood in that way, the concept of dictatorship moves much closer to that of Bolshevism’s misuse of the word, namely that of minority rule, which became possible only through the accident of a civil war. The clear meaning of Marx’s teaching, that the dictatorship of the proletariat is the necessary and indispensable intermediate state between capitalist and socialist society, is thrown overboard. Certainly, when the civil war is successful for the proletariat, it will lead to its dictatorship, but *only because* it becomes a means of drawing a majority of the population to its side in a rapid onslaught. If this is not the case, then the victory of the proletariat in a civil war is only a passing phase in which the proletariat isn’t really

20 Against my views of the relation between democracy and dictatorship discussed here and especially in my books *Die Staatsauffassung des Marxismus* and *Politische und Soziale Demokratie*, the objection has been and will be repeatedly raised that my definitions of these concepts contradict their common usage, especially the generally understood usage of the word dictatorship. But, it is clear that such an objection cannot be serious. For it is precisely the essence of scientific critique and the definition of concepts to discover the prejudices and mistakes that arise in popular usage and then overcome them. Marxism, which demands that we think through all societal relations in order to comprehend their true nature, does not hesitate to change the usual meanings of words when that is necessary to arrive at a knowledge of things that is not self-contradictory. By the way, how much new definitions of concepts agree with those of Marx’s usage can be examined in Wilhelm Mauthner, *Zur Geschichte des Begriffes ‘Diktatur des Proletariats’*, in *Grünbergs Archiv*, 12. Volumes, 280 pp.

able to exercise its dictatorship, i.e., to completely subordinate the state politically and economically to itself. Instead it merely suppresses its opponents for a time through terrorism. Thus, it is a highly incomplete conception to designate dictatorship as something that is temporally limited and the democratic dictatorship of the proletariat as something permanent. On the contrary, the democratic rule of the proletariat will be something very temporary, if it is not reinforced by a dictatorship, which lasts until class society is overcome.

Finally, this more accurate definition of political concepts demands that in a socialist programme no expression is used that can lead to an overestimation of merely political forms of the state, such as that of the republic. Here is the contemporary struggle's most important moment when the task of maintaining the recently achieved republican form of the state against internal and external threats intersects with the task – equally important for the final goal of socialism – of tearing working class thought and feeling away from the bourgeois form of state and guiding them into the new form of society. It alone can satisfy one need without damaging the other. The necessity of defending the republic can be stressed, and at the same time the republic can be shown to be only a form, which only has value for the proletariat if it can become a means to its final goal. Otherwise, the revolutionary energies of the proletariat would develop more strongly into a state form that would everywhere meet with hostility, in one in which it begins, wrongly, to feel itself at home. To the proletariat in Austria or Germany today this would seem entirely self-evident if its class enemies had not been temporarily so backward that they were unable to make use of republican ideology for their own purposes. Advocacy for republican institutions is much too easily associated with the interests of the proletariat, which faces class enemies who step forward as open or secret monarchists or as representatives of feudal, corporate, or other privileged groups. On their own, even the class enemies of the proletariat are becoming more modern. Thus we see, for example, how heavy industry in Germany has changed gears and adopted the social-political, cultural, and economic demands of the proletariat in order to actualise them for 'their workers' as a means of controlling them more effectively. They call this 'the struggle for the soul of the worker', or more correctly and honestly, 'the management (*Bewirtschaftung*) of the person within the worker'. And one should consider, indeed it is most probable, that as the class struggle advances and the dominant classes refine their methods they could even adopt republican ideology for themselves. Indeed, that would offer the great advantage of allowing the dominant classes to pose as the real protectors of the republic and of democracy against socialism, which still wants to sweep away the bourgeois bases of both. One sees immediately that the idea of educating people 'to be loyal to the Republic', which the draft programme uses

in a very important passage, is thoroughly problematic and unreliable in its effects. That is because the ruling classes could then pose as the true protectors of the republic against a genuine *socialist* campaign aiming to move *beyond the bourgeois republic* and to a socialist society. In the name of loyalty to the republic, they could demand and expect the police and army to combat the socialist revolution. The socialist class struggle is not governed merely by fidelity to the Republic, but rather by fidelity to socialism. And, at the decisive moments, it will be able to rely little on such friends who have been educated and fortified only by republican ideology. Republican flags and Red flags are wholly different banners. But only the Red flag can be *our* banner; the Republican banner, conversely, leads no further than the Reichsbanner, that is to a banner in the realm of bourgeois democracy.²¹

III

With these considerations as a starting point, the following formulations might be recommended for the third section of the draft programme. In this regard it is clear that we are talking about additions that do not require any cuts from the text. Indeed, we are not talking here about ideas that contradict the draft, but on the contrary merely strengthen decisive points. At the same time, all of our additions have the particular goal of ending the confusion over the concept of democracy as much as possible and of providing a more secure foundation for *the socialist education* of the masses for which the party programme must provide the basis. We propose, therefore, these additions to the party programme as a foundation towards this socialist education:

1. After the first section of point 1 in the third paragraph one should add: 'But as long as the society is constructed on the basis of private ownership of the means of production and, therefore, as long as class antagonisms exist, democracy cannot yet unfold in terms of its real meaning, which is freedom in a society based on solidarity and equality for all. On the contrary, it will remain a means of class domination. In class society, democracy is not yet social democracy, which means the condition of economic and cultural equality for everyone. It is, rather, only political

21 Very instructive for an understanding of this situation is a recently reported piece of information. An association of Prussian judges and state attorneys decided to affirm the bases of the Weimar Constitution, thus publically asserting their 'fidelity to the Republic'. Yet, as gratifying as that is, and it must be welcomed as an advance – does one really believe that the Prussian judges and state attorneys have come closer to the revolutionary class spirit of the proletariat?

democracy, which means that only legal equality is possible for all. Within the political democracy the forms (republic, parliament, majority rule) are only means of class struggle, with which any class that possesses a majority, uses this majority to exercise the dictatorship of its class interests for the purpose of crushing its opponents and dominating the state’.

2. In the second paragraph of point 1 after the words ‘struggle for state power’ add ‘for the dictatorship’.
3. In the last paragraph of the first point, it should read: ‘So that the democratic republic transforms itself from an instrument of bourgeois class rule into the instrument of proletarian class rule, thereby making possible the liberation of the working people and the abolition of the class state’.
4. *In section II it should read: In a phase of development in which there is a tension of equal force between the classes, the situation can arise in which the working class can protect itself against a monarchical or fascist counter-revolution by participating in a bourgeois government. Such participation by socialists in the government does not make it a socialist government, even when all governmental officials are socialists. Instead it marks simply a defence of the hard-won political and social power of the proletariat within the bourgeois state. This can, therefore, not be a goal of socialist class politics; on the contrary, it becomes ...
5. In the second paragraph of the third point it should say ‘only with the same means’, instead of ‘in the time of the civil war only with the means of dictatorship’.
6. In the last paragraph it should read: ‘in organised constant intellectual and physical preparation not only for defence of the Republic, but for the erection of its class rule (“dictatorship”)’.
7. Further, in the same paragraph, instead of ‘loyalty towards the Republic’ it should read ‘not merely loyalty to the Republic, but rather towards proletarian solidarity’.
8. In the last sentence of this section it should read: ‘to conquer state power with extra-parliamentary means’.
9. In the final paragraph of the seventh section ‘The International’, after the first sentence, add: ‘they demand, thereby, that the socialist delegates in the League of Nations, whether sent by a government or some other democratic body, will be, above all, not representative of their own

* Adler appears to have inadvertently omitted number 4 from his list. I have added it back.

state or nation, but on the contrary will act as representatives of the international socialist proletariat. Here also Social Democracy must so orient itself in its contemporary struggles ...'

These suggestions for changes will enlarge the scope of the proposal, but this is not a drawback, even if comrade Leichter and comrade Pollak's proposed additions, which are in part very commendable, are accepted.²² For clarity and enlightening thoroughness is the programme's most important function. Only through it can the goal be reached of achieving a *unified party outlook freed from contradictions*. The proposed additions are an application of the ideas presented in this article. If they serve, moreover, to eliminate possible misunderstandings about the cooperation of the parties and about the contradiction criticised by Comrade Paul Levy,* that only confirms why they should be supported.

Max Adler, 'Towards a Discussion of the new Party Programme' 1926, *Der Kampf* 19, 10 (October: 490–8).

22 I say 'in part' because Comrade Leichter's view that the industrial reserve army can be eliminated through the strength of the unions in my view seems to need much more discussion, as it is in apparent contradiction with his own ideas of how capitalists address crisis with the strategies of a higher organisation of capital.

* Paul Levy wrote in the *Arbeiter-Zeitung* of 7 September 1926 that any cooperation with the bourgeois government would be a contradiction of socialism, playing into the hands of fascism. Max Adler rejects this refusal to participate under any conditions in the above. See a discussion of the Levi position in Theodor Dan, 'Das Programm der sozialen Revolution', *Der Kampf*, Vol. XIX (November, 1926): 474–5.

Otto Bauer

The Struggle for Power (1924)

Foreword

What must we do to strip state power from the bourgeois parties and to establish the working class's domination over the republic? That is the question that we want to answer.

But in order to answer this question, we have to look back to the past. We can only understand the great class struggle of our time, the great struggle of labour against capital, by learning from the class struggles of the past. We must be familiar with them in order to grasp the changes that are occurring today in the bourgeois parties [and] in order to recognise the tasks that the new era imposes upon our party – the new tasks that must be fulfilled if we want to conquer power.

Feudal Nobility and Big Bourgeoisie

After the defeat of the Revolution of 1848, absolutism dominated in Austria. The Emperor, his generals, and his bureaucrats dominated all classes among the peoples of Austria. Absolutism collapsed on the battlefields of Magenta (1859), Solferino (1859) and Königgrätz (1866). Weakened by these defeats, the Kaiser had to share power with the two classes that were economically strongest among the Austrian peoples: the feudal nobility and the big bourgeoisie.

The feudal nobility was the class of large estate owners. The old high nobility formed their nucleus. The high dignitaries of the church, the bishops, and the abbots were closely tied to the high nobility. The big bourgeoisie is the capitalist class. High finance, the bank and stock market magnates, the big industrialists, and large-scale retailers belong to it. Closely tied to it were the noble officials, the upper bureaucracy of bourgeois origins, the intellectuals, professors, and lawyers. After the collapse of absolutism the feudal nobility and the big bourgeoisie – the old lords of the earth and the new lords of industry, the privileged by blood and the privileged by money – won a share of state power.

The old Austrian Constitution (The February Patent of 1861 and the December Constitution of 1867) was a compromise between the Emperor, his generals, and the bureaucracy on the one side and the feudal nobility and big bourgeoisie on the other. The Constitution reserved the real power for the Emperor, his bureaucracy, and the generals. They alone disposed over the army and they alone dominated the administration. Through their domination of parliament, however, the feudal nobility and the big bourgeoisie won a share of power.

The feudal nobility and the big bourgeoisie did not dare to fight against the Emperor, the generals, and the bureaucracy. But in parliament the feudal nobility and big bourgeoisie, the barons and the factory owners, the bishops and the professors were hostile toward one another and fought against one another in the struggle for a share of power. Austrian history in the 1860s and 1880s was the history of class struggle between the feudal nobility and the big bourgeoisie.

The big bourgeoisie sought support among the masses of the middle and petty bourgeoisie of the German cities. It acted as a champion of the entire bourgeoisie against both the police state and the church as well as against the emerging Slavic nations. Dominated by the big bourgeoisie, the Liberal Party united the masses of the German middle class.

On the one side, in the struggle against the big bourgeoisie, the feudal nobility relied on the support of the church-influenced peasant masses of the German alpine regions; on the other [it relied on] the Slavic nations – the Czechs, South Slavs, and Poles – by posing as their champion against the domination of the German big bourgeoisie.

The liberal big bourgeoisie wanted to maintain Austria as a centralised, unified state; the feudal nobility wanted to change it back into a loose collection of historic kingdoms and provinces. The German big bourgeoisie defended the primacy of the German language in the schools and the government; the feudal nobility fought for using the languages of Slavic smallholders. The liberal big bourgeoisie defended individual liberties against the tutelage of the police state and against church intolerance; the feudal nobility fought to strengthen state and church authority against individual citizens.

The Liberal Party ruled under the *Middle Class Ministry* (1867–70) and the *Doctors' Ministry* (1871–8): the German middle class under the domination of the big bourgeoisie. Under the governments of Baron Hohenwart (1871) and of Baron Taaffe (1879–93) the feudal nobility held sway. The representatives of the religious German peasantry and of the Slavic nations formed that dominant majority in parliament.

In the struggle against the big bourgeoisie, the feudal nobility attempted to subordinate all the classes exploited by the bourgeoisie: the master craftsmen, driven to the wall by the capitalist factory or made the vassal of capitalist middlemen; the peasants, exploited by capitalist usury – capitalist commerce; even the workers themselves, who began to revolt against capitalist exploitation. Representatives of the high nobility, like Barons Hohenwart and Blecredi, Prince Liechtenstein, and, above all, Baron Vogelsang posed as critics of capitalism and demanded protective legislation for craftsmen and workers, to be sure only for the industrial workers exploited by liberal capitalists,

but certainly not for workers on the land. Against capitalism they put forward the ideal of *Christian socialism*, reconstructing the whole social order according to social caste (Stände). With compulsory cooperatives of craftsmen and peasants serving as the foundation and with the landed nobility at the top, it was a model based on the feudal society of the Middle Ages. The *Christian socialism* of the eighties promised the masses liberation from the exploitation of the capitalist big bourgeoisie in order to draw them into the fold of the high nobility and, in service to the latter, to pit them against the big bourgeoisie.

In this period class conflict between the feudal nobility and the big bourgeoisie dominated the whole of Austria's development. The middle and petty bourgeoisie and the peasantry did not yet constitute independent forces but were dominated by the two ruling classes – one in the fold of the liberal big bourgeoisie and the other in the fold of the clerical feudal nobility. Finally, exploited in the cities by the big bourgeoisie and on the land by the feudal nobility, equally oppressed by liberal and feudal governments, and denied all political rights, the working class had practically no influence on events.

The Petty Bourgeoisie against the Ruling Classes

In the 1860s and 1870s the mass of the middle class was oppressed in part by the feudal nobility and in part by the big bourgeoisie, but in the 1880s a movement began which sought to liberate the petty bourgeoisie and the middle class from the domination of both ruling classes.

In the 1880s German national parties developed within the German-Austrian middle class. Since the big bourgeoisie and the closely allied centralised bureaucracy led the Liberal Party, it followed that the German national parties wanted to liberate the middle class from its leadership. Against the bourgeoisie they championed the liberation of the state from the corrupt domination of high finance; against the bureaucracy they stood for the liberation of German middle class politics from its subordination to Austria's general interests and the interests of the dynasty. Because Jewish capitalists formed a very large part of the big bourgeoisie, the emancipation of the middle class from big bourgeois leadership occurred under the banner of anti-Semitism.

In the 1890s the Christian Social Party in Vienna grew stronger. Based on the small businessmen, who revolted against the competition of the factories and of the large department stores as well as against the transformation of craftsmen into home workers for trading capital, the Christian Social Party, led by [Karl] Lueger, became a mass party of the Viennese middle class. The stronger it became, the more independent it became from the feudal nobility, which originally had founded Christian socialism.

The struggle of the German Nationalists and the Christian Socials against the Liberals was a class struggle of the petty bourgeoisie and the middle class against the big bourgeoisie, a struggle of petty bourgeois democracy against big bourgeois plutocracy.

At the same time, however, the working class also grew stronger. Brought together under Victor Adler's leadership at the Hainfeld Party Congress (1888), it had overcome the state of emergency, organised the working masses, and led the struggle for universal suffrage.

The feudal government of Baron Taaffe wanted to use the working class struggle for the franchise to completely crush the Liberals, who were already weakened by the growth of the German Nationals and Christian Socials. To that end, in 1893 Taaffe recommended the introduction of universal suffrage in the electoral curia of the cities and rural communities, while the electoral curia of the large landed estate holders and of the chambers of commerce would have remained unchanged. However, not only the big bourgeoisie rebelled against this recommendation for electoral reform, but the feudal nobility, which did not wish to purchase the annihilation of its old enemy by strengthening the rise of its new working-class one, did as well. The liberal big bourgeoisie and the feudal nobility brought down Taaffe and formed a coalition government under Windischgrätz-Plener. Both classes, which had previously fought against one another, came together to defend themselves against the ascending petty bourgeois and proletarian democracy [movements].

But the coalition government, energetically combatted by the petty bourgeois and the proletarian democratic [movements] and internally divided, collapsed in 1895. The result was the compromising of the Liberal Party, which had thrown itself into the arms of its historic enemy, the feudal nobility, as soon as an assault by the popular masses threatened it. The elections of 1897 delivered a heavy defeat to the Liberals and the German Nationals and Christian Socials took their place. The emancipation of the petty bourgeoisie and of the middle class from the leadership of the big bourgeoisie was complete. At the same time, the first workers' representatives entered parliament.

With the parliamentary power of the big bourgeoisie broken, power fell back into the hands of the nobility. The governments of Baron Badeni (1895–7) and of Thun (1898–9) once again brought together representatives of the clergy-led German peasantry and of the Slavic bourgeoisie under the leadership of the feudal nobility. But the German Nationals fought against the feudal government using the weapon of obstruction. The struggles over obstruction intensified the national antagonism between the German and Czech middle classes. The Christian Socials were unable to withstand the wave of nationalism, which swept through Austria. Vacillating at first, they finally had to place

themselves under German National leadership in the struggles against Badeni and Thun. This completely separated them from the leadership of the nobility. The struggle of the *German Gemeinbürgerschaft* against Badeni and Thun was the class struggle of the middle class and petty bourgeoisie against the feudal nobility. After it had initially liberated itself from the leadership of the big bourgeoisie, the middle class also attempted to smash the power of the feudal nobility. In the struggle against the feudal government, the petty bourgeoisie received the support of the working class, which rose up against Badeni's rape of parliament in 1897 and against the imposition of Thun's settlement (the sugar tax) on Hungary in 1899.

The more intense the German *Gemeinbürgerschaft's* struggle against the Slav-ic-feudal government became, the more difficult it became for the clerical representatives of the alpine German peasantry, under feudal leadership in alliance with the Czechs, South Slavs, and Poles, to hold out against the German bourgeoisie. Led by chaplains, the peasants rebelled against the bishops, who placed the political power of the peasants in the service of the nobility. The alpine clerics began to free themselves from their feudal leadership, to move closer to the Christian Socials, and finally to join the Christian Social Party.

As soon as the peasant clergy liberated themselves from the feudal leadership, the domination of the nobility became impossible. After Thun's fall in 1899, no more attempts were made to renew the feudal-clerical-Slavic majority. The feudal nobility had as little ability to rule as the big bourgeoisie. Therefore, government authority fell into the hands of the bureaucracy (under the governments of Clary, Wittek, and Koerber).

The big bourgeoisie and the feudal nobility had lost the leadership, but they still insisted upon the retention of the electoral privileges upon which their power had rested. The old electoral order contradicted the new relations of power. In 1905 the working class took advantage of the Russian Revolution and the conflict between the Emperor and Hungary's aristocratic parliament in order to destroy these electoral privileges and to force the introduction of universal and equal suffrage. The electoral curia of the estate owners and the chambers of commerce, which earlier had secured the representation of the nobility and big bourgeoisie in parliament, disappeared. In 1907, in the first parliament elected on the basis of universal and equal suffrage, the representatives of the liberal big bourgeoisie and of the feudal nobility were virtually gone. The representatives of the petty bourgeois and peasant parties controlled the majority of the seats with a strong contingent of workers' delegate opposing them. Petty bourgeois democracy, which took the place of the feudal and big bourgeois plutocracy, already found itself on the defensive against the charge of proletarian democracy.

Bureaucratic Absolutism

By means of their parliamentary governments, after 1897 the big bourgeoisie and the feudal nobility took turns controlling the state. As soon as their power in parliament was shattered, they became opponents of the parliamentary system as such. Now they could only dominate the state through the use of bureaucratic means independent from the petty bourgeois parliamentary majority. They combatted the system of parliamentary government, which subjects the executive to the legislative [branch] and they demanded the complete independence of the executive branch from the legislative.

The national antagonisms between the bourgeois parties made it possible for the big bourgeoisie to achieve this goal. Indeed, after the new election of 1907, the attempt was made to unite representatives of the German, Czech, and Polish bourgeois party in Beck's government, but it collapsed due to the contradictions in its midst, which systematically became sharper through the bourgeois press and through feudal intrigue. After Beck's fall in 1908 the authority of the government fell back into the hands of the bureaucracy (under the governments of Bienert and Stürgkh).

The Slavic bourgeois parties fought the governments of the centralised German bureaucracy using the weapon of obstruction. The German bourgeois parties, therefore, tied themselves all the more closely to these governments. German Nationals and Christian Socials became the adherents and supporters of the ruling bureaucracy.

Because Slavic obstruction halted parliamentary activity, the Emperor and the bureaucracy ruled arbitrarily. Royal decrees issued in accordance with Paragraph 14 replaced laws decided in parliament. The Constitution of 1867, a compromise of the Emperor and his bureaucracy with the feudal lords and the big bourgeoisie, disintegrated completely as soon as the rise of the petty bourgeois parties had undercut the parliamentary power of the nobility and the big bourgeoisie. The absolutist bureaucracy took their place. The big bourgeoisie and the feudal aristocrats themselves no longer ruled, but they continued to govern through their influence over the bureaucratic governments. The capitalist and the feudal lord, hated by the petty bourgeois masses as if they still could rule, could still dominate as soon as they hid themselves in the folds of the Emperor's cloak and in the uniforms of his bureaucrats. The petty bourgeois parties, which set out to break the power of the big bourgeoisie and the feudal nobility, did not take power themselves. Instead, they became pillars of the bureaucratic absolutism through which the big bourgeoisie and the nobility exercised power. All propertied classes of German-Austria, from the big bourgeoisie to the petty bourgeoisie and the peasantry, now rallied under the domination of the ruling bureaucracy.

Against this absolutism, which rested on the support of all the propertied classes, struggled the Slavic nations on one side and the German-Austrian workers on the other. Just as the working class had fought on the side of the German bourgeois parties against the feudal nobility between 1895 and 1899, now it fought on the side of the Slavic bourgeois parties against the bureaucratic government. The German petty bourgeois parties, which emerged in the struggle against the big bourgeoisie, were now rallying with that same big bourgeoisie under bureaucratic leadership, but exactly that brought it into ever-sharper antagonism to the working class.

The petty bourgeois work like the workers and they are owners like the capitalists. Standing in the middle between the working class and the capitalist class, the petty bourgeoisie sometimes views the capitalist class as its real enemy and sometimes views the working class in the same way. As long as the working class was weak and the petty bourgeoisie did not yet have to fear the workers, it fought against capitalism and engaged in class struggle against the big bourgeoisie. Then, however, the working class grew much stronger. The trade unions forced the small businesses to raise wages and reduce working hours. The workers' consumer cooperatives reduced the sales of the small retailers. The rise of the industrial workers lured the village proletarians into the city and brought forth the shortage of people in the countryside, which forced the peasants, too, to grant their farm-hands higher wages. In the struggles over wages the big industrialists and small businesses stood together against the workers. In the Agrarian Central Office the feudal lords and peasants were united. It was no longer the feudal nobility and the capitalists who appeared to the petty bourgeoisie as their most dangerous enemy; it was the workers. And this social development had its political parallel: under the law of the privileged franchise, which excluded the workers from the electoral bodies, the Christian Socials and the German nationals had carried out their struggle against the Liberals, the party of the big bourgeoisie. Under universal suffrage they had only one dangerous opponent remaining: the workers' party, Social Democracy. So the character of the bourgeois parties changed: their anti-capitalist tendencies, dominant in the period of struggle against the big bourgeoisie, now grew ever weaker, while their anti-proletarian hostility to the working class grew ever stronger.

With that, however, the relationship of the big bourgeoisie to the petty bourgeois parties also changed. If at one time the big bourgeoisie had fought them as enemies, they now made use of these petty bourgeois parties against the working class. In the elections of 1911, the big banks and big industries supported the Christian Socials and the German nationals with large sums of money to prevent a Social Democratic victory. The petty bourgeois parties

transformed themselves from organisations of small property holders fighting the big bourgeoisie into instruments of the latter fighting the working class.

The big bourgeoisie was now employing its historical opponent in order to maintain its rule. It had overthrown the absolutist bureaucracy in the 1860s in order to take the government into its own hands, but it then used this same bureaucracy as an instrument of its power. In the 1870s and 1880s the big bourgeoisie had struggled for power with the feudal aristocracy, but then the big industrialists and large estate owners allied against the plebeian parliamentarianism of universal suffrage. The big bourgeoisie in the 1890s had engaged in a difficult struggle against the rising petty bourgeois parties, but then it used them as a dam against the rise of the working class. The emergence of the petty bourgeois parties had not resulted in the dethroning of the big bourgeoisie, but it had brought about a change in the forms and means of its domination.

But these new methods of domination drove the empire into the abyss. Bureaucratic absolutism sharpened national antagonisms. It strengthened the rebellion of the Slavic peoples against the Empire. The Emperor, the generals, and the bureaucrats believed there was no other way to solve the permanent crisis of the state than through war. The war intensified bureaucratic absolutism into war absolutism, which, cheered on by the German bourgeois parties, repressed the Slavic nations with an iron fist. The defeats on the battlefield, however, smashed the apparatus of absolutist rule. The Slavic nations then broke loose from the empire and the revolution came to Austria.

Bourgeoisie and Working Class

The collapse allowed the working class to assert its ascendancy. The working class had driven out the Emperor and his generals. It had established the republic, thereby subordinating the executive to the legislative and the bureaucracy to the parliament. The powers that had ruled old Austria – the dynasty, the officers, and the bureaucracy – had fallen.

The power of the feudal nobility also collapsed. The large landed estates of Bohemia, Moravia, and Galicia lie outside of contemporary Austria. With the end of the imperial court, of the House of Lords, and of the estate-owners' curia, the German-Austrian landed elite, itself much weaker than its counterparts in Bohemia and Poland, lost important bases of its power. The juridical abolition of titles of nobility symbolised the nobility's defeat. Henceforth, the large, landed estate owners can no longer act as an independent power, but rather only as a section of the big bourgeoisie.

The power of the big bourgeoisie was also completely shaken at the time of the collapse. It could no longer rule through the bureaucracy with which it was so closely tied. It was without influence in parliament, which was now under

powerful pressure from the revolutionary mass movement. It could not prevent the immense growth of working-class power at the national, state, and local levels, in the factories and offices, in the schools, and in the barracks. It had to stand by and allow legislation, which, under Social Democratic leadership, reformed the laws governing workers' legal rights and working conditions. Without support at home, the big bourgeoisie sought foreign protection and it begged representatives of the Entente to intervene against its own people.

But as powerless as the big bourgeoisie was at first, the state's dire financial crisis – the consequence of war, of the breakup of the old empire, and of the oppressive peace – gave the financiers the chance to re-establish their power. The capitalist press, the most powerful political weapon that the big bourgeoisie had left, made the currency's loss of value, a result of the financial crisis, Social Democracy's responsibility. Impressed by this agitation, the broad middle classes, having moved away from the compromised bourgeois parties in 1918, returned to them. In the elections of 1920, Social Democracy suffered a defeat. The bourgeois parties assumed power alone. Then the big bourgeoisie undertook to bring the bourgeois government and its parliamentary majority fully into the service of big capital.

Indeed, under the pressure of the financial emergency associated with the Geneva Treaty of 1922, the bourgeois parties threw themselves into the arms of high finance. Because the state sought its salvation in large-scale credits, it was dependent on the big banks that could guarantee them. The largest foreign credit was attained only on the condition that a commission of international bankers, appointed by the League of Nations, would dictate the Reform and Stabilisation Programme and that a trustee of high finance, as General Commissioner of the League, would have control over the government. The cooperation of domestic high finance on a domestic loan and the raising of capital for the currency bank were purchased with concessions to the big bourgeoisie. The desire to win the trust of foreign and domestic creditors made the government's entire financial, tax and economic policy of service to the interests and ideas of the big bourgeoisie.

The big bourgeoisie soon was able to go a step further. Under the monarchy it could relinquish its power position in parliament because it could still exercise power through bureaucratic governments. In the republic, which has subordinated the bureaucracy to the parliament, parliamentary power is indispensable to it. Therefore it is no longer enough, as it was earlier, [for the big bourgeoisie] to make use of the bourgeois parties as its instrument against the working class. It must now penetrate into the bourgeois parties and subject them to its leadership. In the elections of 1923 representatives of big industry (Streeruwitz, Weidenhoffer, Reiner, Kliemann) and of the Bank Association (Wantschura)

emerged as candidates of the Christian Socials and the Pan-Germans. Three representatives of big industry were elected as Christian Socials and one industrial secretary as a Pan-German. Thereafter, the relations between the bourgeois parties and the big bourgeoisie became very close.

The general assembly of the big banks passes resolutions thanking Seipel and the organisations of the big industrialists cheer him when he appears at their meetings. The big bourgeois *Gesellschaft* recognises the Christian Social Chancellor as its leader and the capitalist press is at his disposal. On the other side, the Christian Socials and the German Nationals have completely given up the anti-capitalist views and demands which they propagated in the 1880s and 1890s. They no longer pose as representatives of the petty bourgeoisie and the big bourgeoisie, but rather as representatives of the entire bourgeois society in opposition to the working class.

The small and middle-sized bourgeoisie had carried out its class struggle against the big bourgeoisie as long as it did not yet have to fear the working class. Now threatened by the working class, it has thrown itself into the big bourgeoisie's arms. The Christian Socials and German nationals are no longer petty bourgeois parties, but are parties of the entire middle class, which seek to unite all of the possessing classes, from the bourgeoisie and the large landholders to the petty bourgeoisie and small peasantry, in one joint struggle against the working class. But thereby they arrive unavoidably and increasingly under the leadership of their socially and financially strongest ally, the big bourgeoisie. Both parties, which a generation ago had freed the bourgeoisie from the domination of the big bourgeoisie, now fell under its hegemony.

In the 1880s, Vogelsang had called forth the petty bourgeoisie against capitalism in order to use it as the battering ram of the feudal nobility against the big bourgeoisie. In the 1890s Lueger actually had liberated the petty bourgeois mass from big bourgeois hegemony. He later also detached it from its dependency on the aristocracy and thereby founded an independent party of the petty bourgeoisie and middle class. However, after 1908 Geßmann and Weiskirchner again placed the party under the domination of the absolutist bureaucracy, [and] thus indirectly under that of the big bourgeoisie which influences the latter, and turned its battle front against the working class. Finally, Seipel leads the petty bourgeois and middle classes back into the fold of the big bourgeoisie in order, under his leadership, to resist the advance of the working class.

The conservative power of the Catholic Church always serves the respective ruling class against the respective rising class. From the sixties through the nineties the Church defended the aristocracy against the rising big bourgeoisie; at that time it placed the peasants and petty bourgeoisie, which were subject to

its influence, in the service of the nobility against the big bourgeoisie. Today the church defends the latter against the rising working class. It places the peasants and petty bourgeoisie in the service of the big bourgeoisie against the social democratic workers.

The big bourgeoisie, liberal at the time of its struggle against the feudal nobility, becomes clerical at the moment of its struggle against the threatening working class. The capitalist might be Jewish, a Freemason, or an atheist, but he sees that only the spiritual power of the church can immunise the broad masses against the attractions of socialism, maintain them in the ranks of the bourgeois parties, place a dam before rising social democracy, and thereby protect his class from working-class assault. That is why the bank magnates and big capitalists cheer for Pastor Seipel: the economic power of capital and the spiritual power of the church are allied against the working class.

Just as the function of clericalism has changed, so has that of anti-Semitism. At the beginning of the German national and Christian social movement[s], liberation from Jewish domination meant the liberation of the petty bourgeois and middle classes from the hegemony of the largely Jewish big bourgeoisie, above all high finance. Today the entire finance, tax, and economic policy of the Christian Socials and the German Nationals serves only the interests of the still largely Jewish big bourgeoisie, especially high finance. Nevertheless, even today these parties cannot dispense with anti-Semitism entirely. They need popular anti-Semitic catchwords in the struggle against social democracy. Anti-Semitism, once the slogan of the petty bourgeoisie in the fight against the big bourgeoisie, now serves the big bourgeoisie itself in that the subservient bourgeois parties use it as a means of combatting social democracy. The Jewish capitalist happily pays for the printing costs of anti-Semitic electoral pamphlets in order to weaken social democracy.

From the sixties until the nineties the power of the liberal big bourgeoisie rested only upon a very small part of the people. Only the privileged franchise, and the fact that only a small part of the enfranchised took part in public life, secured the liberal big bourgeoisie's power. For that reason, its parliamentary power collapsed when electoral reforms (1882, 1896, 1906) broadened the circle of the enfranchised and the rise of the petty bourgeois parties led the masses into the political arena. Then the big bourgeoisie secured its power using totally different means. By pushing its way into the petty bourgeois and peasant mass parties, and thereby subordinating the petty bourgeois and peasant masses to its leadership, it secured confirmation – and democratic blessing – of its class rule through the will of the majority of the people.

The working class opposes the bourgeois parties that have fallen under the command of the big bourgeoisie. The industrial and commercial workers form

its nucleus. It is and remains the core unit of Social Democracy. Fear of it welds the bourgeois parties into one reactionary mass under the command of the big bourgeoisie. But it no longer stands alone. The revolution of 1918 had widened Social Democracy's effective sphere [of influence] over the masses beyond the industrial and commercial workers. In the cities, broad masses of employees and officials came to Social Democracy. In the countryside, the collapse awakened the village small holders: masses of agricultural workers, cottagers, and small peasants streamed into Social Democracy. Broad layers in town and country, which earlier had been adherents of the bourgeois parties, rallied around the industrial working class in order to fight together in the class struggle against the big bourgeoisie. The attractiveness of Social Democracy to the broad masses of petty bourgeois and small peasants will grow the more the bourgeois parties fall under the big bourgeoisie's control.

The petty bourgeois masses, which hitherto formed the following of the bourgeois parties, are composed of very disparate elements. Among them are social groups whose position as entrepreneurs places them in harsh, unbridgeable antagonism against the workers. This includes the larger and middle-sized producers and merchants in the city and the large peasants in the countryside. Other elements, too, formerly were united with them in the bourgeois parties, elements whose interests do not place them at odds with the working class, but in sharp antagonism with the big bourgeoisie. To this group belong, above all, employees, officials, and teachers, who, according to their vocational status, are part of the working class, but who feel themselves to be a part of the bourgeoisie due to their origins, upbringing, and habits of life. Additional elements include numerous proletarian livelihoods in the free professions such as master craftsmen, shopkeepers, cottagers, and small peasants.

The bourgeois parties can gather all these disparate elements under their banners when they summon the petty bourgeoisie and middle classes for class struggle against the liberal big bourgeoisie. But also after their victory over the Liberal Party, after they had subordinated themselves to the hegemony of bureaucratic absolutism, controlled by the big bourgeoisie, and turned their weapons on the working class, they could still hold the very different elements in their ranks together. Because at that time the big bourgeoisie itself did not rule, it hid behind the ruling bureaucracy and did not assume the leadership of these bourgeois parties, which supported the bureaucracy under patriotic and national pretexts. These parties could therefore appear to the masses as if they were representatives of a radical, anti-capitalist policy. The revolution tore down the protective wall of bureaucratic absolutism behind which the big bourgeoisie had hidden. Then the big bourgeoisie had to emerge from its hiding place, put itself in the forefront of the bourgeois parties, and

obviously place the latter in their service. This was how the masses unmasked the bourgeois parties for the first time.

With that begins the political differentiation of the petty bourgeois and peasant masses. The bourgeois parties remain loyal to those elements among them who place their position as entrepreneurs against the working class; they form the troops to whom the big bourgeoisie gives orders. However, those whose preponderant interests are antagonistic toward the big bourgeoisie are beginning to detach themselves from the bourgeois parties, which had fallen under the big bourgeoisie's hegemony. By joining Social Democracy, they become allies of the working class.

The time of an independent petty bourgeois politics is over. The petty bourgeoisie still has only the choice between the hegemony of capital and an alliance with the proletariat. It is split over the issue. One part finds itself under the domination of the big bourgeoisie, the other associates with the working class.

In the sixties, seventies, and eighties the dominant class antagonism was between the feudal nobility and the big bourgeoisie. The petty bourgeois and peasant masses, however, were divided: one part of them consisted of adherents of the nobility; another part was under the domination of the big bourgeoisie. At present the situation is similar. The dominant class antagonism of our time is the antagonism between the big bourgeoisie and the working class. The petty bourgeois and peasant masses are divided. While one part falls under the hegemony of the big bourgeoisie and provides the combat troops of the bourgeois parties, the other part rallies around the banners of Social Democracy and the working class.

The class struggle between the feudal nobility and the big bourgeoisie in the seventies and eighties was a struggle over the middle classes. Each of the two classes sought to tear away as many elements as possible from the sphere of influence of the other class and to subject them to their own hegemony. The class struggle today between the big bourgeoisie and the working class also is becoming a fight over the middle classes. The big bourgeoisie can only assert its domination if it succeeds in maintaining its control over the petty bourgeois and peasant masses. The working class can only overthrow the power of the big bourgeoisie, it can only win a majority among the people and in parliament, it can only take control over the state, when it succeeds in detaching a part of the petty bourgeois and peasant masses from the bourgeois parties and winning them for Social Democracy.

The Working Class and Working People

A generation ago a large part of the working class was still under bourgeois influence. The influence of its petty bourgeois or peasant origins and surround-

ings, the influence of the school, of the church, and of the bourgeois press kept many workers in the ranks of the bourgeois parties. At that time it was Social Democracy's task to awaken the class-consciousness of the workers, to lead them to their class, and to liberate them from their intellectual dependence on their petty bourgeois or small peasant environment.

It was the time of the rise of the petty bourgeois parties and of their struggles against the big bourgeoisie. In these struggles, the petty bourgeois parties conducted themselves as agents of all working people, as representatives of *all corporations (Stände) of honest workers*. In order to free the workers from the influence of the bourgeois parties, Social Democracy at that time had to teach the workers to recognise that the working population broke down into different *classes* and that the petty bourgeois parties did not represent all workers. On the contrary, [they represented] only the middling and petty bourgeoisie and the peasantry, not the working class.

The result of the Social Democratic struggles against the petty bourgeois parties was the constitution of the proletariat as a class: the liberation of the workers from the intellectual influence of the bourgeoisie and from the political leadership of the bourgeois parties; the unification of workers in powerful organisations; the concentration of the working class for independent class struggle.

However, the task of constituting the proletariat as a class is not yet complete in the villages. Tens of thousands of proletarians still live there and remain under the influence of the bourgeois parties. In the cities and industrial regions, on the other hand, the task of establishing the proletariat as a class is almost complete. Here the vast majority of the working class is already unified within Social Democracy. Here Social Democracy long ago became the party of the working class.

We now face a new task. If [the goal] earlier was to free the working class from the intellectual and political influence of the bourgeoisie, [in other words] from the hegemony of the bourgeoisie, now it is to conquer broad layers of the petty bourgeoisie and the small peasantry for ourselves, to gather them around the proletariat, which is already established as a class, and to win them over for a common struggle against the bourgeoisie. If, previously, the aim was to liberate the working class from the intellectual and political influence of the bourgeoisie, then today it is to bring the broadest possible layers of the petty bourgeoisie and of the peasantry under the intellectual and political influence of the working class in order to win them over as allies.

Petty bourgeois and peasant parties are not in a position to lead the class struggle against the big bourgeoisie to victory. Because within the parties those elements of the petty bourgeoisie and peasantry are always strongest whose

position as entrepreneurs puts them at odds with the working class, these parties always throw themselves into the arms of the big bourgeoisie as soon as the rise of the working class frightens all owners, large and small. In the eighties and nineties they rebelled against the domination of the big bourgeoisie. In 1908, however, they subordinated themselves to the influence of the bureaucracy, which was controlled and influenced by the big bourgeoisie, and now that the bureaucratic wall of separation is gone, they have openly fallen back under the big bourgeoisie's hegemony.

Only the working class stands in all-sided and irreconcilable opposition to the big bourgeoisie. Only it can and must lead the struggle against the big bourgeoisie to victory. It is the most numerous, battle-ready, and energetic of all the classes of working people whose interests are aligned against those of the big bourgeoisie. Therefore, all elements of the petty bourgeoisie and of the small peasantry, whose predominant interests are in conflict not with the workers but rather with the big bourgeoisie, must ally themselves with the working class and actually place themselves under working class leadership as the strongest and most active among the allied classes fighting the big bourgeoisie.

Today, therefore, reaching beyond the working class into the ranks of other types of workers, namely the petty bourgeoisie and small peasantry, we must pursue the goal of uniting all the working classes among the people into a joint struggle against the big bourgeoisie. This goal is similar to that proclaimed by the petty bourgeois parties of the eighties and nineties. However, at that time they wanted to unite all the *honest working professions* (Stände) under the leadership of business owners, whose interests conflicted with those of the working class. Ultimately, this had to bring them into an alliance with the big bourgeoisie against the workers and thereby cast them back under the big bourgeoisie's domination. In contrast, we want to unite working people, meaning workers and those among the layers of the petty bourgeoisie and peasantry who are hostile to the big bourgeoisie, under the leadership of the working class.

As long as the aim first was to constitute the proletariat as a class, it was dangerous for Social Democracy to recruit petty bourgeois or peasant elements. It threatened to blur the proletarian character of Social Democracy, which had not yet unified the whole working class, and thereby make the awakening of those layers of the working class not yet won over to our side more difficult. Today this danger no longer exists. The working class is in our ranks. The overwhelming majority of the membership of our party organisation consists of workers. Therefore, they determine the policy of our party. It is especially the workers in the big factories – who, thanks to their concentration in their plants,

are more energetic and active than all other strata among working people – who exert the strongest influence over our party's policy. Now when we win over the petty bourgeois or small peasant elements to our side, it can no longer blur the proletarian character of our party. If they come to us they thereby come under the intellectual influence and under the political leadership of the working class. As allies of the workers, they strengthen the power of the working class.

We must remain what we already are: the party of the working class. But, in order to conquer power for the working class, we now have to become something more: a party that draws together all working people under working class leadership.

Karl Marx and Friedrich Engels have already addressed the idea that the working class is the natural leader, the natural vanguard of the entire working people, therefore also of the small peasants and petty bourgeoisie, and that it is called to mobilise and lead all working people in the struggle against the big bourgeoisie.

In recent years, the Russian Bolsheviks have especially taken up this idea. In his history of Bolshevism, Zinoviev calls this 'Lenin's real discovery', the really new thing that Russian Bolshevism has to teach international socialism.

The peasants in Russia, who form the overwhelming majority of working people, are an illiterate and totally undifferentiated mass politically. Under Tsarist domination (until 1917) they played no part in the life of the state and in Russia's political struggles, no party influenced them, they were not organised, and the press did not reach them. In 1917 the urban revolution awakened a movement in the peasant masses, which demanded the dividing up of the large estates and the distribution of land to the peasants. The Bolsheviks took advantage of this movement, seized political power through a coup, and decreed the division of estate lands to the peasants. As soon as this demand was satisfied, the peasants fell back into political indifference. They are not hostile to the Bolshevik government because they received the estate lands from it. But they do not concern themselves with the issue of who governs in Moscow and how they govern. As long as the government does not impinge too closely upon their economic interests, they obeyed the decrees of the Bolshevik government just as they had, as obedient subjects, obeyed the decrees of the Tsar. Only as a consequence of the political indifference of this overwhelming majority of the Russian people can the Bolshevik minority dominate the massive empire. In Russia, the hegemony of the proletariat over the peasantry means the dictatorship of a small, active, proletarian party over the large, politically uninterested mass of working people.

It is totally different here. Here the small peasants and petty bourgeoisie have not been a politically undifferentiated mass for a long time. Through the movement of the emerging petty bourgeois parties, they already were drawn into political struggle in the eighties and nineties. Today they still belong to these parties, have their own organisations, and their own press. They do not form a mass devoid of culture, which rebels once and then falls back into indifference after its demands have been fulfilled. Their political interest long has been awake and priests and teachers maintain it even in the smallest village. Most small peasants and petty bourgeois here are our political opponents and will remain so until they become our comrades. Their opposition presents great obstacles to our rise to power and, when we have conquered the latter, it will provide the greatest obstacles to its maintenance. In 1895 Engels wrote, 'The period of revolutions carried out with small, conscious minorities in the lead is over'. It was not over for Russia, where the peasantry forms an as yet unconscious and politically undifferentiated mass. It is over for Central and Western Europe, where petty bourgeois and peasants are no longer unconscious masses, but on the contrary are very active citizens, who no longer slip back into political indifference, but rather can either hinder us in our conquest of power or join us in the struggle. In order to conquer power, we must win over the broadest possible layers of these classes to our side; they have to be detached from the bourgeois parties and drawn over to us. The hegemony of the proletariat over the working people here cannot be realised through a dictatorship of the proletariat over an unconscious peasant mass, it can only be realised when we win over the petty bourgeois and small peasant masses for active cooperation with the proletariat, for joint struggle with the proletariat, and for the party of the proletariat. The hegemony of the working class over all working people can only be realised in a way that brings the petty bourgeois and small peasant masses under the intellectual leadership of the working-class party. The hegemony of the proletariat over the working population here cannot mean a dictatorship of the proletariat over the petty bourgeois and small peasant masses, but rather only the proletarian party's intellectual leadership of these masses.

The task now is to win over these petty bourgeois and small peasant masses to our side. To that end, we must exploit the struggles within the framework of democracy in order to unmask the bourgeois parties as instruments of the bourgeoisie to their petty bourgeois and small peasant followers, and in order to simultaneously prove to the petty bourgeoisie and small peasantry that only the party of the working class can ruthlessly defend their interests against big capital and the large estate holders. To the extent that this effort succeeds, the followers of the bourgeois parties will split. The division will spread through all the middle classes of our society.

The intellectuals will split. The rich lawyer remains over there, in the camp of the bourgeois parties, sitting in the administrative councils of the industrial corporations and handling legal matters; over here, in our camp, we must attract the mass of intellectuals impoverished by the devaluation of the currency, who hate the new big bourgeoisie that enriched itself from the inflation, and whose cultural interests put them in opposition to the clericalism that serves the big bourgeoisie. We must win over these intellectuals, because we will not be able to create the society of the future without the cooperation of the doctors, the engineers, the scholars, the artists, and, above all, without the help of the teachers.

The multitude of officials and employees will split. Over there are the court councillors and directors, who defend their *authority* against the mass of officials and employees. The bulk of the low and middle-level employees must come over [to us]. We will only be able to completely dominate public administration when we win over most of the officials. We will only be able to subject industry to effective control when employees' knowledge is connected with workers' energy.

The bulk of the small craftsmen will split. The master tailors and carpenters, who work for rich customers in well-equipped shops in the inner city, will remain over there. We have to attract the small master tailors and carpenters who, driven into suburban slums, can no longer get access to customers and can only work for the large producers of ready-made clothes or for capitalist furniture dealers. The small capitalist stays over there, because he only exploits a few workers and sees himself as an ally of the big exploiters; we must recruit the small masters, who have been forced to become home workers for capitalist enterprises. Only together with their few apprentices can they fight for better wages against the capitalists, who exploit them both. The well-heeled businessman remains over there; we have to attract the small shopkeepers who, reliant on a working-class clientele, learn with every variation of economic conditions that their business is completely dependent on workers' wages.

Finally, the mass of the peasantry will also split. The gentleman farmer (Herrenbauer), who exploits large numbers of workers and is a hate-filled enemy of the working class, remains on the other side. We have to win over the small peasant, who works the soil alone with his family and, because he cannot live on the yield of his parcel, must repeatedly transform himself into a commodity as a wage earner for a large landholder. Over there stand the gentlemen farmers, who produce food for the market and are allied with the large landowners against the consumers. We have to attract the small peasant, who, because his parcel does not produce enough grain to feed himself, his family, and his cows, must purchase bread and feed. The gentlemen farmer over

there owns his means of production; we have to recruit the small peasant and cottager, who works rented land rather than land of his own, who does not own his own team but has to borrow one from the landlord to cultivate the fields, who does not own forest or grazing land, but finds himself in constant struggle with the landlords, who have appropriated the community forests and fields for themselves. We will never be able to dominate the state as long as we are only strong in the cities. We also have to establish bases of our power in the villages.

We will only gradually be able to detach and conquer all these intermediate layers from the bourgeois parties. But when we also win over just a part of them, then we will have a majority among the people and in parliament.

Democracy and Armed Violence

On the one side the big bourgeoisie, backed by the broad mass of the middle class and the peasantry: such are the bourgeois parties. On the other side the working class, around which closely related layers of the petty bourgeoisie and small peasantry are beginning to rally: that is Social Democracy. Thus, the nation is divided into two camps. The results of the October 1923 elections illustrate the camps' strength. According to the elections, the Social Democrats received 1,311,882 votes, the Christian Socials 1,494,298 votes, and the Agrarian League 419,274 votes.

The Christian Socials received 182,416 more votes than we did. If we succeed in detaching and winning over just 100,000 voters from the Christian Socials, then we are the strongest party. Then no government would be possible without or against us.

The three bourgeois parties together have about 601,688 more [votes] than us. If we succeed in detaching only 320,000 voters from the bourgeois parties and winning them over to our side, then we dispose over an absolute majority in parliament. Then we could rule Austria. In the 1920 elections, we received 1,072,709 votes and in 1923 1,311,882 votes. Thus we gain 239,173 votes in three years. And, in a few years, should we not be able to gain the 100,000 votes we need to become the strongest party? And a few years later [should we] not gain a further 220,000 votes and therefore achieve an absolute majority among the people and in parliament?

The numbers show: in a few years we can conquer a majority and, therefore, power in the republic, domination over the republic, with the ballot. When we win over the workers who are still outside of our ranks – primarily rural workers and female workers – and when we also attract to our side just a part of the closely related layers of the petty bourgeoisie and small peasantry, then we conquer power with the peaceful means that democracy provides us: with masses of ballots.

But will the big bourgeoisie stand by idly as our peaceful growth demolishes its rule? Will it not seek violently to strip the ballot away from us before the ballot consigns us with state power? Will it not attempt to overthrow the democratic republic, before it allows it to fall into our hands?

In November 1918 the working class forced the republic upon the bourgeoisie. The bourgeoisie had to resign itself to the republic. Now it uses the power of its capital in order to make the republic's governments, which are dependent on capitalist credit, subservient to it; in order – through election subsidies – to purchase the bourgeois parties, which rule the republic, for itself, and in order to use its press to drive the voters to these bourgeois parties. Thus it transforms the democratic republic into an instrument of its class rule. But if the bourgeoisie sees that it cannot succeed any longer, and that the republic gives the proletariat the possibility of overthrowing its rule and conquering power with the peaceful, constitutional means of the ballot, will it then not attempt to violently overthrow the republic in order to save itself?

That is what the monarchists are already thinking today. In the republic power will finally fall into the hands of the working class; only a monarchy, whose armed force suppresses the workers, can effectively protect the large landed estate and big capital against the worker masses. The monarchist movement, convinced of this idea, reaches deeply into the party ruling the republic: in the Christian Social Party, since the last election, the monarchist leader, Wense, sits between Chancellor Seipel and the representatives of big industry, Streeruwitz, Weidenhoffer, and Reiner.

With money from big industry and the big banks, the black and yellow *Frontkämpfer*, the black-white-red *Hakenkreuzler*, the peasant *Heimatwehren*, and the *Selbstschutzverbände* are being armed as the government looks on. When the bourgeoisie is only threatened by the danger that the proletariat can take power using the constitutional means of the ballot, then it will attempt to use its armed bands to overthrow the republican constitution.

If we want to conquer a majority in parliament and thereby control over the republic with the constitutional means of the ballot, then we have to make sure that the constitution is protected against all armed bands set up by the capitalists and monarchists.

To protect the republican constitution against any violent attack is the army's job. Indeed, when reactionary officers command the army, then it can become an instrument of reaction. The army can be used to overthrow the republican constitution and to suppress the working class. We have to protect ourselves from this danger. We have to see to it that the soldiers of our army are not blind instruments of the commanders, but rather are thinking, free, citizens of the republic. Therefore we have to keep the soldiers in

constant intellectual contact with the workers and ensure that, with every recruitment campaign, the military is replenished by convinced, enthusiastic republicans. We have to make certain that the officer corps is replenished from the ranks of republican-minded troops. Then we will have soldiers who serve the republic loyally, obediently, and bravely and never allow themselves to be misused in a coup against the republican constitution. However, to us it is not enough that the army does not revolt against the republican constitution. On the contrary, the army must be able to crush any uprising of irregular armed bands against the republic and to quickly and effortlessly put down any revolt of monarchist or fascist counterrevolutionaries. Therefore we must fight to train the army in the republican spirit, to be ready to sacrifice life and limb for the republic. We must make certain that the army is large enough and adequately equipped with weapons and instruments of war.

We cannot use our soldiers' weapons in order to take power. No, we must take power with the ballot. But our soldiers' weapons should protect us from a counterrevolution that would strip us of the ballot at the moment in which it can lead us to power. We do not want to use our soldiers' weapons against the republican constitution, but rather only to protect it. They should protect the republican constitution at the moment in which the bourgeoisie rises up against it, because the legal use of their constitutional rights leads the working class to power.

When we recruit soldiers, the bourgeoisie angrily protests that the army should not be the organ of any party, but rather should be an organ of the republic. Certainly, however, we know that the bourgeoisie has only resigned itself to the republic as long as it can dominate it. As soon as power threatens to fall into the hands of the working class, the bourgeoisie will rise against the republic. Exactly because we want the army to remain an organ of the republic, also in the case of a bourgeois uprising against it, we must win the soldiers over to the only party that must always and unconditionally remain republican: to the party of the working class.

We must pay no less attention to the police and gendarmerie than we do to the army. These armed corps, too, must not become instruments of counterrevolution. Therefore we may not treat the security officials and gendarme as enemies of the workers. We may not exclude them and drive them into the camp of our opponents. On the contrary, we must do everything to win them over, to fill as many of them as possible with republican conviction, and to lead them in close intellectual alliance with the working class.

However, the working class must also be prepared for a defensive struggle when the fascists and monarchists rise up against republican freedom. To

make the working class battle-ready and to maintain its preparedness is the job of the *Republican Schutzbund*.

If the soldiers stay in our camp, if we also succeed in winning over only a portion of the security officials and police, if the Republican Schutzbund remains strong and alert, then the reaction will not dare to revolt against the republican constitution. Then we will be able to conquer power by simply using the right to vote, without using violence, without civil war.

The revolution of 1918 has not yet liberated the working class from the rule of the big bourgeoisie. But it has given it the means to liberate itself. By overthrowing the dynasty, the old militarism, and bureaucratic absolutism and by concentrating all power in parliament, it has given us the possibility of conquering power via a parliamentary majority. By simultaneously guaranteeing the enjoyment of all citizenship rights to soldiers, security officials, and policemen, it has given us the possibility to agitate among the members of the armed forces, to win them to our side, to organise them, and thereby create a force that will make it impossible for the reaction to break the power of parliament as soon as it appears that a parliamentary majority will fall, or actually has fallen, into the hands of the working class. Now it is important to take advantage of these two possibilities. Within a few years, we can conquer a majority in parliament and thereby take power with the ballot, if we can only succeed in winning over a part of the petty bourgeoisie and small peasantry that is closely associated with the working class. And the bourgeoisie will not be able to rise up against our constitutional seizure and exercise of power, if the soldiers, security people, and police protect the republican constitution and if the Republican Schutzbund guards our security. Thus, in a few years the class rule of the big bourgeoisie can be broken and power in the republic can be in the hands of the working class.

Ballot or Civil War

After 1815 the feudal aristocracy ruled in almost all European countries under dynastic hegemony. A century later the middle class ruled in almost all European countries under the hegemony of the big bourgeoisie. The history of the nineteenth century was the history of the victory of the bourgeoisie over the dynasties and the feudal nobility. The history of the twentieth century will be the history of the victory of the working class over the bourgeoisie.

During the nineteenth century, if the bourgeoisie had defeated the feudal nobility in almost all countries, it had won this victory in very different ways. In France it required a whole series of violent, bloody revolutions, such as the revolutions of 1789 to 1795, 1830, 1848, and 1870–1, before the bourgeoisie could take possession of state power. In England, on the other hand, the bourgeoisie

conquered power with parliamentary means, without a violent collapse: the parliament constantly limited royal power and reduced the latter to a ceremonial role, while within parliament the representatives of the aristocracy were gradually pushed aside by the representatives of the bourgeoisie.

However, the result in England as well as France was the transition of power from the hands of the landed aristocracy into the hands of the bourgeoisie. Just as the forms in which the bourgeoisie had won its victory over the aristocracy in the nineteenth century were different, so will the forms in which the working class wins its victory over the bourgeoisie in the twentieth century also be different. The victory will be achieved in various ways in different countries.

In most countries armed power is in reactionary hands. Where this is the case, the bourgeoisie will not allow the working class to conquer power with electoral means. As occurred in Italy in 1922, the bourgeoisie will place a brutal despotism in place of democratic parliamentarianism before the parliament becomes an instrument of proletarian power. Where the bourgeoisie opposes the proletariat with dictatorial means, the proletariat will only be able to break bourgeois power with violence, with civil war. After its victory in a bloody struggle it will also at first only be able to exercise power through despotism in the form of a dictatorship.

In contrast, in the countries where the reaction does not dispose over the exclusive and unlimited force that could destroy parliamentary rule as soon as the working class has the ability to conquer a parliamentary majority, and in countries in which armed force is at the disposal of parliament if the parliamentary majority becomes a proletarian one, the working class can take power using democratic electoral means and exercise it using democratic parliamentary forms.

In Austria, the proletariat has no expectation of setting up a dictatorship after violent civil war. Austria is militarily much weaker than its reactionary neighbouring states and the Austrian proletariat's centres of power lie very close to the militarily unprotected borders. Any civil war here would lead to armed foreign intervention. It would not end in the dictatorship of the proletariat, but rather with the dictatorship of foreign occupation.

On the other hand, in Austria, where the reaction has less complete control over armed force than in all other countries in Central and Western Europe, the prospect for the working class to conquer state power using electoral means is greater than in almost all other lands. If the proletariat here only understands how to take advantage of the legal possibilities, then the bourgeoisie will soon shout, like Odilon Barriot in 1849, 'La Légalité nous tue' (Legality is killing us); but if at the same time our soldiers, security forces, police, and our Schutzbund

guard republican legality, then the bourgeoisie will not be in a position to destroy legality as soon as, via the legal means of the ballot, lawful power lies in our hands.

Inspired by the Russian Revolution, the Communists believe that the working class will conquer and hold power everywhere using the same means as in Russia: civil war and dictatorship. We Social Democrats concede that in many countries in which the bourgeoisie opposes the proletariat with violence, the working class will only be able to overthrow the bourgeoisie with violence. We concede to them that even in Austria extraordinary and especially warlike events could force the proletariat to adopt violent means. (One can imagine, for example, that in Hungary the Habsburg monarchy is re-established, that Hungarian troops cross our borders to restore the Austro-Hungarian monarchy and force our submission to the king, and that Austrian monarchists support the invading enemy. In such a situation the Austrian proletariat could be forced to seize power violently and to exercise it with dictatorial means in order to organise the national defence and, backed by all republican elements in the country and supported by neighbouring states hostile to the Habsburg restoration, to crush monarchist treason).

But when no very extraordinary events interrupt the peaceful development of the country, then, in a few years, the Austrian working class can conquer power using legal democratic means and exercise it using legal democratic forms. And, for the workers, that would be the best case. Because the power of the working class will be more secure if it is not the power of a minority that can rule the country only thanks to the political indifference of the unthinking masses, but rather when it is based on the active will and support of the majority of the people.

To Work

From 1848 to 1918 the working class struggled for democracy. Democracy has been achieved. Now it is essential to take advantage of what democracy has given us in order for the working class to conquer state power and power over the republic.

From 1868 to 1918 Social Democracy had worked to free the workers from middle-class influence and to unite them in the party of the working class. Now the formation of the working class into an independent, mighty party is almost complete. Now it is essential to rally the petty bourgeois and small peasant elements that are closely associated with the working class around the latter so that we can conquer power with their help.

For decades we have fought the armed power of the ruling class, the militarism of the Dual Monarchy. Now it is essential to educate and maintain

the republican spirit in the armed forces, so that they protect the democratic institutions – through which we can come to power – against the assaults of counterrevolution.

For decades we have been able to use the antagonisms within the propertied classes, [such as] the antagonisms between the feudal nobility and the big bourgeoisie, between the petty bourgeoisie and the ruling classes, between the parliament and the bureaucracy, in order for the working class to conquer individual concessions, individual reforms, and individual actions. Thus we conquered the right to organise in 1870, the first protective labour legislation in the eighties, universal suffrage in 1896, and equal suffrage in 1906. Now it is different. Now we have become so strong that all the bourgeois parties, all elements of the bourgeoisie, have united against us. Now we can no longer take advantage of the contradictions among the propertied classes in order to win small concessions. Now the struggle is no longer about individual measures and individual reforms; now it is all or nothing; now it is for power.

And power is within reach. In the last elections we made a mighty push forward. Another movement like that one and we will be the strongest party. Yet another such push and we will become the majority among the people and in parliament. It is the first time that there is the possibility of the working class conquering state power. But the chance is there. This fact must raise our eagerness to work, our desire for struggle, and our enthusiasm to the highest level.

To work, comrades! If each and every one of us does our day-to-day duty, then in a few years the red flag will fly over Austria!

Otto Bauer, *Der Kampf um die Macht* 1924, Vienna: Verlag der Organisation Wien der Sozialdemokratischen Partei (*Werkausgabe*, 2, 936–67).



The Social Democratic Agrarian Programme (1925)

Passed by the Vienna Party Congress of 16 November 1925¹

¹ An Agrarian Commission was appointed at the Salzburg Party Congress of 1924 to work out a draft agricultural programme. Otto Bauer presented the draft to the Vienna Party Congress, which met from 13–16 November 1925. The programme passed by the congress aimed to make it possible for Social Democracy to gain ground among the rural population.

A *The Immediate Challenges for the Improvement of Agriculture*

I Raising the Productivity of Agricultural Labour

Increasing the productivity of agricultural labour is one of the most important prerequisites for improving the economic situation of the popular masses both in the countryside and in the cities.

1. The productivity of labour in peasant agriculture depends, above all, on the cultural level of the rural population.

Therefore, Social Democracy demands:

- a) Expansion and reform of elementary education in the countryside; the reintroduction of a full eight years of compulsory schooling; the cancellation of the reduced school year, limits to the number of students allowed in any class (initially set at 40); the implementation of the principles of instructional reform in the village schools (labour school, local instruction);
- b) Mandatory continuing instruction for all agricultural workers between 14 and 18 years of age; in the first two years instruction should be primarily general and in the last two years more agricultural;
- c) Creation of a dense network of agricultural and forestry middle schools; adaptation of these schools to the practical needs of peasant farming; publicly funded stipends for children of small peasants and rural workers to attend these schools;
- d) Expansion of adult education schools in the countryside.

2. The highest possible increase in the productivity of domestic agricultural land is a vital interest of the whole people. The community has to provide guidance to the owners of land in its productive use:

Through advising and teaching (agricultural experimentation; itinerant teachers, winter courses, model farms and enterprises, exhibitions; consultation on farm operations, agricultural libraries, and so on); through direct provision of federal and state support (for the improvement and expansion of roads and transport; regulation of mountain streams and rivers; provision of low-cost credit for soil enrichment; measures that ease the acquisition of seed, artificial fertilisers, and good breeding animals; the establishment of agricultural machine stations, and so on).

If simple advising and support is not enough, however, to secure the rational use of the domestic soil, the community has the right and the duty forcibly to carry out the rational cultivation of the soil against resisting landowners.

Therefore, Social Democracy demands:

To transfer to governing bodies the right, when commissioned or agreed to by agricultural chambers (the main agricultural corporations):

- a) to officially decree and implement mergers of multiple parcels;
- b) to officially decree and implement the regulation of ownership, use, and administrative rights to community lands, and the new regulation of charges for grazing, straw, and wood;
- c) to officially decree large-scale soil enrichment (enrichment in alpine areas, control over mountain streams, soil drainage and irrigation facilities, and so on) and to implement it against the resistant owners and at their cost;
- d) to decree mandatory rules on the provision of stall and fertiliser facilities as new workshops are constructed.
- e) to decree mandatory rules on the holding and use of breeding animals, on the keeping of records related to the herds, on combatting diseases among the animals;
- f) to decree mandatory rules on the use of seed, artificial fertiliser, and concentrated feed;
- g) to decree rules on the eradication of vermin and noxious plants; to transfer to the right to communities to implement these rules against resistant landowners;
- h) to order the shooting of game that has caused much damage and to implement the policy against resistant licensed hunters;
- i) lands that are not being used by their owners are to be requisitioned and transferred for use to communities, to tenant cooperatives, or to hardworking landowners.

3. Forest lands owned by peasants are to be managed. Forest owners will pay the costs of forest personnel appointed either by the community, the district, or the mandatory cooperative of forest owners. On the basis of an economic plan, forest owners are to join mandatory cooperatives to facilitate the joint construction of roads, facilities for the delivery and draining of water, and the joint regulation of hay production.

II The Liberation of Agriculture from the Exploitation of Commercial Capital

With the development of capitalism, commercial capital has inserted itself between the producers and consumers of agrarian products, both of which it exploits.

Grain is the booty of international speculation, of the world stock-market game.

To liberate agriculture on the one side and the consumer on the other from the exploitation of the commercial capital and of capitalist speculation, Social Democracy demands:

1. The declaration of a federal monopoly on the import and export of grain, flour, and bran. It should be overseen by a monopoly agency that is administered by the federal government together with representatives of the farmers and of the consumer cooperatives.

Trade of domestically produced grain and flour remains free within the federal borders. However, the monopoly agency is required to accept any amount offered to it at the prices it has fixed.

This purchase price is to be fixed independently of world market prices, so that the level of domestic grain production is secured, but without burdening consumers beyond what is required to achieve this goal.

The monopoly agency purchases foreign grain abroad without tariffs at the respective world price and domestic grain at a price it sets; it delivers both to consumers at a mixed price without profit.

2. Effective support for agricultural marketing and sales cooperatives (cooperatives selling cattle, dairy product, wine, and so on), the exclusion of capitalist trade through the direct connection of agricultural marketing cooperatives with urban consumer cooperatives.

Only when the marketing cooperatives and the consumer cooperatives are adequately developed will it be possible to transfer the state monopoly on the marketing of agricultural goods to them.

III Measures against Agricultural Indebtedness

Capitalism has transformed the popular masses into proletarians, who must work for their entire lives under capitalist command, and who every day have to fear unemployment or miserable poor relief in their old age.

In order to escape this fate, many constantly are looking to acquire land at the highest prices in order to be able to lead an independent life on one's own soil. Their land hunger causes steep increases in the price of land. Therefore the sale value of land is much higher than the value of its yield.

This overvaluing of the soil has led to a situation in which, with every sale, the land had to be saddled with high mortgage debts (earnest money balance, settlement payments). After the payment of mortgage interest, the peasant could not even earn a decent wage for his work.

Though the inflation freed the land from the mortgage burden, nevertheless within a generation the burden of debt will again threaten the countryside.

The overvaluation of the soil had also driven the cost of leasing land so high that by the time he paid his rent, the small tenant earned very little for his labour. This situation would return as well, if tenants' protection were eliminated.

Therefore, Social Democracy calls for:

1. The cheapest possible credit for agriculture. To this end: struggle against the rule of the banks; dissolution of the bank cartel; subordination of the banks to the sharpest state controls; support for state mortgage banks, for savings banks, and for non-profit-oriented agricultural credit cooperatives, and the connection of these credit organisations with consultants for agricultural operations.
2. The overburdening of the land with ownership transfer mortgages is to be combatted with measures to increase supply on the land market and thereby counter the increase in land prices. To that end:
 - a) Cancellation of the family entail;
 - b) Cancellation of private hunting and fishing rights. The right to hunt is to be transferred exclusively to the local communities or when necessary to community institutions founded for that purpose.
3. The overburdening of the land with emergency mortgages is to be prevented through mandatory state fire, hail, and cattle insurance.
4. The strain of retirement burdens is to be prevented through mandatory old-age insurance for all small peasants and cottagers.
5. The decree on the protection of tenants is to be replaced by a long-term federal law that must contain the following points:
 - a) tenant leases may not be agreed to for a period of less than six years. The peasant is entitled at any time to demand a reduction in the rent when, after paying the rent, his remaining wage is less than what local tenant farmers commonly earn for their labour on their farms. A tenant commission, chaired by a judge and in which representation is proportional, adjudicates this demand. The terms of the general civil statute book on the replacement of a tenant's expenses and on the reduction of a tenant's rents due to failed har-

vests are to be declared irrevocable. The repudiation of legal rights, especially to claims on damages caused by wild game, does not apply to the tenant. The agreements that also allowed the landlord to cancel contracts early in other cases not covered in the law, is to be declared forbidden.

The protective regulations also are to be extended to partial lease contracts.

- b) The right to stay on the rented property is to be ensured when ending the lease endangers the renter's living and would not in the long run endanger the economic existence of the landlord. The Tenant Commission decides on whether these criteria apply.

iv Reform of Agricultural Taxation

The ability to tax an economy grows with the development of industry and the rise in the productivity of agricultural labour.

In keeping with this development, it becomes possible to free the rural population's income from taxation without endangering the federal, state, and local budget.

Social Democracy has established the following goals for the gradual reform of agricultural taxation:

1. The land tax is to be transformed into a tax on ground rent.

It is not the peasant's wage that is to be taxed, but rather the surplus amount above the wage. The peasant's earned income is subject only to the income tax, indeed, under the same assumptions and in the same measure as the wage income of the wage labourer.

Every peasant farm is to be freed from the land tax when its net yield is less than the wage that the peasant and his full-time employed family members could earn on the farm.

If the net yield is larger, then a tax is to be levied on the surplus, which should be highly progressive and calibrated to the combined value of the land. Land used for luxury purposes is subject to an additional tax.

2. The sales tax on all nutritious food is to be ended. Therefore the sales tax levied on agricultural commodities would also end.

3. In order to expand the planting of root crops, the sugar tax is to be cancelled.

4. The tax on wine is to be reduced.

5. Payments to the church and church institutions are cancelled.

B *Immediate Demands to Aid the Rural Workers***I Expansion of Workers' Rights, of Protective Labour Legislation,
and of Workers' Insurance**

The industrial proletariat, over decades of class struggle against the capitalist class, has conquered improvements in its standard of living and in its standing in the areas of law, protective legislation, and insurance.

For decades, the workers occupied in agriculture and forestry had not participated in this class struggle. Therefore, their living standard and legal position remained far behind those of the industrial workers. The consequences are flight from the land and a shortage of people, which are becoming a serious obstacle to agricultural development.

Only if the workers and employees in agriculture and forestry participate in the class struggle of the whole proletariat can they force the equalisation of their living standards and legal rights with those of the industrial workers and employees. Only in that way can the causes of flight from the land be eliminated and the shortage of agricultural labour overcome.

For the protection of workers and employees in agriculture and forestry Social Democracy demands:

1. The transfer of all matters to the federal government that concern the passage and implementation of laws and protective measures related to agricultural and forestry workers and employees.

The tasks of social administration in the agricultural and forest industries are to be transferred to the Federal Ministry for Social Administration.

2. The creation of a modern agricultural labour law by means of a federal statute. That ensures that the rights of agricultural and forestry workers will be regulated in the same way as those of industrial workers.

Extension of the law on arbitration boards and collective contracts to the agricultural and forest economy.

Extension of the responsibility of the industrial councils as general labour courts to the agricultural and forest economy. The establishment of such a labour court in every rural diocese.

3. Extension of the factory council law to agriculture. Factory councils in enterprises with at least 20 [workers], legally recognised shop stewards in enterprises with at least five steadily employed wage earners.

Inclusion of agricultural and forestry workers and employees in the workers' and employees' chambers; creation of special sections of rural workers within these chambers.

4. Creation of proportional labour boards for the agricultural and forest economy following the model of industrial district commissions.

5. Creation of a federal law on labour time in the agricultural and forest economy.

On average during the year daily work time should not rise above eight hours. In this framework, collective contracts could be worked out with a longer workday in the summer, a shorter one in the winter, and including special stipulations for workers tending stock and carrying out domestic tasks.

For the workers in small enterprises engaged in domestic tasks and stock tending, work time is to be specially regulated through the fixing of a daily legal minimum for rest and a legal minimum for breaks during the workday.

6. Thirty-six hour Sunday breaks, in the winter a forty-two hours, a weekly replacement day off for those who have to tend to animals or perform domestic labour on Sunday.

7. Overtime and extraordinary Sunday work are only to be permitted if the harvest or stock herds are endangered. The payment for overtime must total fifty percent more and the payment for extraordinary Sunday work one hundred percent more than the wages for work performed within the legally specified time. When calculating payment, payment in kind is also to be fully taken into account.

8. Extension of the law on workers' vacations to the agricultural and forestry sectors.

9. Strict rules about the condition, the atmosphere, the layout, and the heating of the employers' housing for workers and domestic servants; a ban on the use of stalls or open barns as sleeping quarters.

10. Strict protective stipulations for the prevention of accidents.

11. Expansion of protective regulations to aid women active in agriculture, especially pregnant women and women in childbed, as well as adolescents and children. Limit to women's work in big enterprises to the level compatible with their protection and that of their offspring.

12. Affiliation of the agricultural and forestry inspection with the industrial inspection.

13. Centralised health insurance for agricultural and forestry workers following the rules established for industrial workers. Inclusion of agricultural and forestry workers in the accident and unemployment insurance systems and in the old-age, invalid, and survivors benefit systems, which need to be established.

14. Extension of employees' pension and health insurance to the agricultural and forest economy; inclusion of these employees in the accident and unemployment insurance systems.

15. Extension of all protective legislation to foreign migrant workers. Ban on the use of migrant workers at wages that are lower than those set for domestic workers in collective contracts and provisions.

16. Ratification of the Convention on the Protection and Security of Agricultural and Forestry Workers created by the International Labour Organisation.

II Establishment of Homesteads for Propertyless Rural Workers

[The aim is] to make it possible for propertyless rural workers to establish a household independent of business owners and to lead an independent family life.

To achieve this goal the federal government and the states have to provide the means for a generous housing programme to be carried out within a generation.

With their help local governments have to construct workers' houses on public property and transfer them to landless workers with the right of inheritance. Workers living there may not be required to perform wage labour for a particular landowner or for a particular group of landowners.

III Protecting the Independence of Rural Small Holders

Cottagers and small peasants, whose own holdings are not sufficient to feed their families and who then are forced, or their children are forced, to perform wage labour for large estate holders or large peasants, form a large part of the agricultural proletariat.

To promote the independence of these workers with small landholdings Social Democracy demands:

1. The transformation of landed property into community property that cannot be divided up or sold off.

All privileges of the original homeowners, long-time occupants, bourgeois, and so on for the use of the property are to be nullified.

The natural use of the community property is to be regulated as follows:

All those are excluded from using the fields, straw, and wood that do not need it thanks to the size of their own fields, alpine pastures, and forests. All other members of the community, who have their own farms, have equal claim to these uses; but none of them can claim a share of them beyond the most pressing needs of a household.

To the extent that the community does not cultivate them, the community fields and grazing lands are to be divided into allotments and leased at an appropriate rate to long-term community members, whose own farms yield too little. If there is not enough community land, then those small peasants and cottagers who most need land have priority.

2. Communities are required to make certain that the lands of those cottagers and small peasants who do not own teams of horses are cultivated. To that end, special horse-team cooperatives are to be promoted with public support.

3. Democratisation of the main agricultural corporations (agrarian chambers); extension of the right to vote in them to all who work the land.

iv The Enlargement of Communal Property

Because the settlement of those without property and the economic enhancement of rural smallholders presuppose an adequate supply of local public lands, the following measures are to be used to enlarge communal holdings:

1. Strips of land on the margins of the large estates are to be expropriated and transferred to the local communes.

2. All properties that were common lands until 1848 but were then taken away from the communes and appropriated by agrarian communities (interest groups, neighbourhoods, peasant associations, land reclamation groups, and similar entities) are to be converted into community property.

3. Communities are to be granted the right of first refusal on all sales of land. They also have the right to purchase land at auction, when they bid the most. Later sale of community lands acquired by right of first refusal is to be banned.

c *The Transition to the Socialist Social Order*

The ownership of large estates emerged from theft of property and the people's usage rights by the princes, the nobility, the church, and the capitalists over the

course of centuries. The lords' property based on theft developed at the expense of peasant property based on labour.

In the struggle for the improvement of agriculture and the rural proletariat, socialism confronts the barrier of large land ownership. It must destroy it. The task of socialism is to re-conquer the land that the ruling classes stole from the people over the course of centuries.

I The Socialisation of Large Forests

The more completely capitalist economic methods are brought to bear in the exploitation of large forests, the more the interest of the private owners in the highest possible rate of profit is at odds with society's interest in using the forests sustainably.

The more alpine stock raising develops, the more intense the struggle must become between the small stock herders and the big forest owners over the use of the forests and pastures.

Therefore, Social Democracy demands:

1. The expropriation of the large private and church forest properties, the conversion of large forests into federal property and its joint administration by the federal government and former foresters.

The socialised forests are not to be managed as forests that yield capitalist profits but rather as forests that benefit the social welfare. The goal is not to utilise them for the highest possible profit, but rather to provide the greatest possible service to the economy. Therefore, the administration is to be established in such a way that it is able to bring the interests of the forest management into the greatest possible harmony with the general interests of the society, especially with stock raising. To that end, at both the federal and state district levels, two corporate bodies are to be placed in charge of the administration in which the federal government, forestry workers and forestry officials, as well as the peasants must be represented.

2. Because they must be maintained in the social interest, socialist forest management, using sustainable economic methods, has to place the largest possible area at the disposal of stock raising.

Depending on the local need of the peasantry, usable properties should be transferred to the communities, in some areas as alpine pasture and grazing land, in other areas as meadows, pastureland, and hayfields. When the granting of plots suitable for such uses is not possible, the administration of the socially managed forests, in so far as is possible and appropriate given local conditions, has to organise the rotation of field and forest use, while withdrawing exhausted pastures and fields from circulation and reforesting them.

3. The easements for wood cutting, pasturing, and straw gathering and also, where called for, the rights of access to paths and waterways have to be regulated anew:

- a) The rights to cut wood, which no longer serve to satisfy the basic needs of a peasant household, are abolished. New laws regarding access to wood are to be approved, where this is necessary in the interest of the managing of alpine meadows and pastureland.
- b) Where it is possible, forest and pasture are to be separated, and the forest, in exchange for the cession of enough pasture land to the community, exempted from pasturage charges. However, where such a separation is not possible, the administration of the socialistically managed forest has to allow grazing [in areas] beyond easement claims and to organise it as productively as possible.
- c) In the interest of the forest, the administration of the socialistically managed forests has to ease the making of improvements on peasant farms by taking over a part of their operating costs and reducing the peasant's need for forest straw (improvements in stall facilities, switch from growing wheat under unfavourable conditions to growing feed, provision of straw surrogates). However, in so far as agriculture cannot do without forest straw, the administration of the socialistically managed forests has to approve of straw usage going beyond easement claims, and it has to organise it in the least damaging way by distributing it in as many forested areas as possible and rotating it through individual parts of these areas.

II The Socialisation of Large Agricultural Estates

The large landed estate is indispensable as a pillar and point of departure for technical progress in agriculture.

The large-scale operation can make the fullest use of all the achievements of modern science and modern technique in agriculture. Its example stimulates the peasants to also undertake improvements in their modes of operation.

However, the large-scale operation can only perform this function when able farmers lead it. For that, the accident of inheritance provides no guarantee.

The large-scale operation will perform its function fully within the overall economy when the state disposes over the large estates in the interest of the whole society.

But another necessity pushes nationalisation forward. Ground rent rises with the number of people and the development of transport and industry. A product of social progress, if its growth is not to enrich individual large

landholders, but the whole society, then the land of the large estate holders must become state property.

Therefore, Social Democracy demands:

1. The transfer of lands on the margins of the large estate to the communities. In areas in which large agricultural estates dispose over especially broad holdings, and in which the insufficient size of their farm makes it especially difficult for small peasants to operate effectively, other appropriate portions of the large estate can be allocated to the community aside from the marginal ones.
2. That lands of the large estate that are not cultivated as part of a large-scale operation, but by small tenants for a minimum of one generation, be transferred to the communities and allocated to resident tenant families on a heritable basis.
3. Remaining properties are to be managed as a large-scale enterprise.

Where and as long as the prerequisites for rational collective farming are not yet present, large enterprises should be leased to the most competent farmers. The tenants are required to place the properties, as model farms, in the service of agricultural instruction and of neighbouring peasant farms, to promote agricultural experiments on them under state control, to deliver seed under the best possible conditions to the peasants, and to make available breeding animals and machinery.

III The Peasant in Socialist Society

Socialism fights against the theft of property by the ruling classes, not against property used by the peasants.

Through the socialisation of the ruling class's stolen property, peasant property is not endangered, but secured.

The peasant was there before feudal society. He lived in feudal society and he lives in capitalist society. Peasants will live within the framework of socialist society, too, as free owners of their own land. But like every social order that preceded it, the socialist social order will also reshape the legal relations and economic conditions of peasant land ownership.

1. The transfer of the big banks, of big industry, and of wholesale trade into the property of the whole people will liberate the peasants from the interest slavery of finance capital, from the dictated prices of the cartels, and from the exploitation of commercial capital.

In capitalist society, the peasants' proportion of the total amount of social labour depends on markets and on the play of blindly operating economic forces. As a consequence of the anarchy of the capitalist mode of production, periods of serious agricultural crisis alternate with periods of oppressive increases in the cost of agricultural prices. In the socialist society the community administers industries that deliver tools and consumer goods to the peasants while also administering the sale of goods produced by the peasant economy. In that way communities acquire the power to secure the equal development of industry and agriculture and to consciously regulate the peasants' proportion of the total social labour.

2. In capitalist society many are prepared at any time to buy land [at a cost] higher than the value of its yield in order to lead a life that avoids the daily insecurity of wage labour in a capitalist enterprise. The overvaluation of the soil always leads to the overburdening of the land with owner transfer mortgages. Mortgage capital appropriates rents, profits, and interest from the peasant economy and leaves it to the peasants to squeeze out a living from their work on the land.

This exploitation of the peasants by mortgage capital, only temporarily ended by the inflation, can only be reduced temporarily through the means available under capitalism; it cannot be abolished for the long-term.

Only in a society that guarantees to every worker a secure home, a secure job, and a secure income in old age will no one overpay for land. Only in a socialist society does the cause of the exploitation of peasant land by mortgage capital disappear along with overvaluing of the soil. Only with the liberation of the worker from exploitation by industrial capital will the peasant be liberated from exploitation by mortgage capital.

3. In capitalist society, the spirit of profit-making dominates a person's thought and behaviour. Only socialist society will, over the course of its creation, gradually permeate the masses with cooperative thinking and thereby create the psychological prerequisites for the most effective unfolding of peasant cooperation. With its further development, cooperation, on an ever-higher level, will be in a position to make the advantages of large-scale operations viable for the peasants and place the achievements of modern technique and science in the service of peasant farming.

Otto Bauer, *Das sozialdemokratische Agrarprogramm. Beschlossen vom Parteitag zu Wien am 16. November 1925* (Wien, Verlag der Organisation Wien der sozialdemokratischen Partei, 1927) (*Werkausgabe* 3, 999–1015).



Programme of the Social Democratic Workers Party of German Austria (1926)

Adopted by the Party Congress at Linz on November 3, 1926

The Social Democratic Workers Party of German Austria, supported by the teachings of scientific socialism and the experiences of decades-long successful struggles, closely aligned with the socialist workers' parties of all nations, leads the liberation struggle of the working class and establishes the goal of overcoming capitalism and the building of the socialist social order.

The Social Democratic Workers' Party sums up the insights, which guide its actions, and the tasks, which it establishes for itself, in the following programme:

I *Capitalism*

1. With the development of capitalism greater parts of the industrial production, trade and commerce become concentrated in *large-scale concerns*. The competition of capitalistic large-scale operations condemns many branches of the older *trades* wholly to extinction; many are limited to the repair and distribution of the products of the large-scale industries. Other branches of the trades fall into oppressive dependence upon capitalistic commercial enterprises; the master tradesman becomes as wage- or piece-work master the wage worker of capital. A quickly growing portion of the entire people is transformed by the capitalistic large-scale concern into its *wage labourers and employees*.

2. With the development of the capitalistic large-scale concern the productivity of human labour increases. However, the *standard of living* of the workers and employees is not improved in the same proportion. Every improvement of the machinery, every rationalisation of the production process, which increases the productivity of the work, at the same time makes the workforce dispensable and throws thereby the worker and employee into the misery of unemployment. The capitalist system of production's lack of planning sometimes leads to periods of *inflation* and *overwork*, and at other times to periods of *economic crisis* and *unemployment*. If the workers and employees succeed in winning more favourable working conditions, then a part of these gains are lost either from inflation or unemployment. Thus, the standard of living of the worker and

employee comes into ever-harsher contrast to the productivity of their work, to the increase of the wealth produced by them.

The continual fear of unemployment brings the worker and employee into oppressive *dependence* upon the owners of the instruments of labour. The coercion of life-long work in the service of strangers, the incorporation of the worker into the mechanised division of labour whose plan of work and hours they are not able to determine, the impossibility of enjoying the fruits of their labour and through their labour to improve the standard of living of their progeny, robs the life's work of the worker of its meaning and goal.

3. The fear of facing the fate of a worker's existence drives the broad masses to seek recourse in *retail business* and in the still surviving branches of *artisanal* work. The aggregation of these ever-greater masses into these branches of business burdens the products with high costs, intensifies competition, and depresses sharply the standard of living of the retailer and artisan.

The fear of the propertyless workers' fate drives the small farmer's sons and workers to acquire land at any price. This leads to the overvaluation and thereby the over-indebtedness of the land. *Mortgage capital* appropriates the profit, rent, and interest from the small farmer's enterprise and leaves the *small farmer* to wrest his poor worker's wage from the soil.

In this way is the oppression exercised by capital upon the worker and employee, and indirectly upon the artisan, retailer and small farmer reproduced.

4. The capitalistic large enterprises combine into ever-larger *concerns*, they organise themselves into *cartels and trusts*, they come always further under the domination of *finance capital*.

Mighty cartels dictate to the whole of a population the price of goods. Great industrial concerns can close whole branches of production, force their will upon administrations and legislatures. Large banks control production. They exercise the most powerful influence upon the state and society.

The entire working people fall thereby under the oppressive dominance of a small number of capitalistic magnates.

5. The development of the productive forces goes beyond the national borders of the capitalist organisations. The economic and political world power is gathered in the hands of the finance capital of the most highly developed capitalistic states. *International cartels* dictate to the individual countries the cost of goods and the scope of production. Small and economically weak countries fall into oppressive dependence upon the large capitalist world powers. The

domestic capitalist classes become taskmasters of international high finance, the national state falls under the oppression of the capitalist world powers.

6. The capitalist classes of the most highly developed capitalist states seek to conquer the economically backward areas outside of areas of European culture as sales markets, raw material markets, and capital investment areas. *The competition over colonial areas* generates ever-new contradictions between the capitalistic world powers. The penetration of *capitalism in the non-European cultures* disrupts their traditional societal order; the imperialist world powers subordinate the people of foreign cultures to their domination. It calls forth *the liberation struggles of these oppressed peoples*.

The imperialistic transformation of the world generates a continual *danger of war*. At the same time as the development of the technology of the capitalist large industries, war technology is continually transformed. The development of capitalism threatens thereby ever more formidable wars that can destroy civilisation as a whole.

II *The Class Struggle*

1. Capitalism has gathered the worker in its workplaces, in the large cities and industrial areas, and compelled them to come together in a struggle against the oppression of capital. Workers engaged daily in industry, the crafts, trade, and transportation have become unified in the *Social Democratic Workers Party*. The Social Democratic Workers Party has broken the monopoly of the propertied classes on political rights. The working class has achieved influence upon the legislation and the administration of the [national] state, in the federal states, and in local government. It has fought for *protective labour legislation, workers' insurance, as well as social welfare*. It has powerfully supported the development of *trade unions*, which have succeeded in achieving better working conditions for workers and setting limits to the arbitrariness of the owners and managers within the workplace, and the *consumer cooperatives*, which have enabled the worker to more effectively exert influence upon the commodity market.

2. Gradually, the social democratic workers movement has included, on the one hand, broad strata of *employees and officials* on the one hand and, on the other, *farm and forestry workers*. Indeed, the task of the Social Democratic Workers Party is to unify and organise the entire working class – the workers in trade and industry, commerce and transportation, the workers in agriculture and forestry, the manual labourers as well as those in private concerns and public offices. Our movement will create and maintain their physical and mental readiness

for battle. To accomplish this we will educate them to fight together so that the particular interests of the professions and enterprises are subordinated to that of the working class as a whole. In this manner, we will intensify the strength of the working class by providing it with the knowledge that its own vital and developmental interest and that of the capitalist social order are incompatible. This is the task of the Social Democratic Workers Party.

3. The more completely the entire working class comes together in its struggle with capitalism, the more those classes, which make their profits through the exploitation of alienated labour, unite against the working class onslaught. The historical opposition between the middle-classes and the feudal nobility, between big business and the middle-class, diminish in the face of the joint antagonism of all the business classes against the working class. The entire *bourgeoisie* – that includes the capitalists and the urban middle-classes of the cities, the landed property owners and the large-scale farmers – come together against the working-class.

The *petty bourgeoisie*, the small peasantry, and the independent professions are located between the *bourgeoisie* on the one side, and the *working class* on the other. They have the choice either to model themselves as followers of the bourgeoisie or to become compatriots of the working class.

The more the *working class* in its struggle for its own liberation becomes the *champion of the entire working people* against big capital, which dominates and exploits all classes of workers, the more widely the strata of the small farmers, the small businesses, the white-collar workers will rally to the working class. Thus, the task of the Social Democratic Workers Party is broadened. Its task will also include *uniting ever broader strata of all the classes of working people under the leadership of the working class in the struggle against the capitalist class led by the bourgeoisie*.

4. This class struggle is not only a struggle between competing class interests; it is rather at the same time a struggle against competing class ideals. The battle between capital and labour is the battle between the path of tradition and the striving of the masses towards a transformation of the social, cultural and public life.

It is the struggle between the domination of *authority* and the striving of the people towards *freedom* and self-determination.

It is the struggle between the class that bases its rule upon the *oppression* and *exploitation* of the masses, and the class, which, in struggling against its own oppression and exploitation, combats *all oppression and exploitation*, whether it is directed against a class or a gender, a nation or a race.

It is the struggle between a societal order that sacrifices the health of the people and human happiness to the *striving for profits*, and a societal order that transforms political economy to serve the *health of the people and human happiness*.

It is the struggle between a societal order that bases the culture of the few upon the *lack of culture* of the exploited masses, and a societal order that dedicates its cultural inheritance to the *entire* people, joining the entire people within a *cultural community*.

It is the struggle between a societal order that makes the mental as well as the manual work serviceable to capital, and a societal order that raises both manual and mental work to the service of the *whole of the people*.

III *The Struggle over State Power*

1. The Social Democratic Workers Party has destroyed the propertied class's voting privileges, overthrown the monarchy, and founded the democratic *republic*.

In the *monarchy* the dynasty, the generals, the bureaucracy held dominion: only the highest levels of the bourgeoisie – the large land owners and those in high finance – actually shared in their rule. In the democratic republic the majority of the bourgeoisie commands state power.

On the other hand, the democratic republic has given the working class political equality and freedom of movement, and enormously developed its intellectual powers and its self-consciousness. In the republic, the *working class* went on the offensive against the class domination of the *bourgeoisie*.

The history of the democratic republic is the history of class struggles between the bourgeoisie and the working class over the command of the republic.

In the democratic republic, the political control of the bourgeoisie no longer rests upon political privilege, but rather upon the means of their *economic power*, by means of *tradition*, as well as through the *press*, the *school* and the *church*, where the majority of people are held under their intellectual influence. If the Social Democratic Workers Party is able to overcome this influence, unifying the manual and white-collar workers of town and country, and winning the small farmers, small businessmen, and the intelligentsia to the side of the working class, it will win over the *majority* of the people. They will win state power through the decision [arrived at via] universal *suffrage*.

Thus the class war between the bourgeoisie and the working class as they both contest for the soul of majority of people will be decided in the democratic republic.

In the course of these class struggles it may occur that the bourgeoisie is *no longer* sufficiently strong enough, and working class not yet strong enough to govern the republic by themselves. But *cooperation between classes hostile*

to one another, which such a situation compels, will be dissolved in a short time by the irreconcilable class antagonisms within the capitalist society. After each such episode the working class will fall back under the domination of the bourgeoisie, if it fails to take power for itself within the republic. Such a cooperation between the classes can only be a passing developmental phase in the class struggle for state power, but not the goal of this struggle.

If, in the first epoch of its struggle, the Social Democratic Workers Party fought for the democratic republic, now its task is to use democratic means of struggle to assemble the majority of the people under the leadership of the working class, and *end the class domination of the bourgeoisie as the working class wins control of the democratic republic.*

The Social Democratic Workers Party strives to win control of the democratic republic not in order to dissolve democracy, but rather to place it in the service of the working class, to adapt the state apparatus to its needs, and to use it to strip the concentrated wealth in the means of production and exchange from the big capitalists and large landholders and to transfer them to the common ownership of the whole people.

2. The bourgeoisie will not give up its position of power freely. While it has been compelled to accommodate itself to the democratic republic by the working class as long as it can be in control, it will be tempted to overthrow it and erect a *monarchist* or *fascist* dictatorship as soon as universal suffrage threatens to give state power to the working class or actually gives this power to them.

Only when the working class is *strong enough to defend itself* and the democratic republic against every monarchical or fascist counter-revolution, only when the *army* and the other *armed bodies* of the state can also protect the republic when the power of the republic passes into the hands of the working class by dint of universal suffrage, only then will the bourgeoisie not *dare* to revolt against the republic, only then will the working class be able to conquer and exercise state power *with democratic means.*

The Social Democratic Workers Party must therefore keep the working class in permanent, organised *readiness*, both psychologically and physically, to *defend* the republic. [It must] cultivate the closest spiritual community between the working class and the soldiers of the national army, educate them just like other armed state formations to be loyal to the Republic, and thereby make it possible for the working class to overcome the class rule of the bourgeoisie by democratic means.

When despite all these efforts of the Social Democratic Workers Party a counter-revolution of the bourgeoisie succeeds in destroying the democracy then the working class can only conquer state power through a *civil war.*

3. The Social Democratic Workers Party will exercise state power *using democratic forms and with all the guarantees of democracy*. The democratic guarantees will ensure that the social democratic government will act under the continual control of a united majority of the people led by the working class, and that this majority will remain responsible. The democratic guarantees will make possible the construction of the socialist societal order under the most favourable conditions, with unrestricted, most active participation of the popular masses.

However, if the bourgeoisie sets itself against the social transformation that is the mission of the workers' state, through the calculated obstruction of economic life, through forceful rebellion, or through conspiracies with foreign counter-revolutionary powers, then the working class will be compelled to resist the bourgeoisie *with the means of dictatorship*.

4. The working class comes to power in the democratic republic not in order to erect a new [system] of class rule, but rather to abolish any form of class rule. To the degree that the working class state expropriates the capitalists and the large landowners and transfers their ownership of the means of production and exchange to that of the whole people, the division of the people into exploiting and exploited classes, class rule, and class struggle will be overcome. Only then will democracy transform itself from the final form of class rule into the self-governance of a no longer antagonistically divided people, and the state will be transformed from the instrument of class rule into the commonwealth of the united people's community.

IV *The Next Tasks of the Social Democratic Workers Party*

Within capitalist society the Social Democratic Workers Party represents the economic, social, political, and cultural interests of the working class, and of those strata of the working people gathered around it.

Strengthening of the Republic

1. Social Democracy defends the republic and furthers its strengthening according to the following principles:

A unified republic on the foundation of democratic local government instead of a federal state;

Democratisation of the administration of justice: democratic regional (Bezirk) and District (Kreis) communities instead of the bureaucratic regional authority. Widening of the autonomy of the local community (Ortsgemeinden) through a widening of their tax authority and through the communalisation of the federal police.

Democratisation of the judicial system: election of Justices of the Peace (Friedensrichtern) for the arbitration and decisions in small matters of law. Election of trained judges by the people or the people's representatives in the state, region, district, and city. Social scientific education of judges. Decisive participation of juries and jurors in the discovery process of all criminal cases and in the decision about the imposition of detention pending trial. Adversarial procedures in the preliminary investigations. Complete compensation for the service days of the jurors. Reform of the criminal law from a social and democratic point-of-view. Social-pedagogical design of criminal punishment. Democratic supervision of judicial and police prisons. Teaching of general legal knowledge through schools; organisation and the reduction of costs of legal advice and of defence litigation.

Maintenance of an army that is strong enough to defeat any counter-revolution. Securing the republican character of the army: inclusion of the working classes among the troops, civic and republican education for all soldiers, securing of full civil rights for members of the armed forces. Extension of the areas of competence for union representatives, army committee personnel, and parliamentary commissioners; democratisation of the rules of service, disciplinary regulations, and military penal law, augmentation of non-commissioned officers from the enlisted men, augmentation of the higher rank of officers from militarily capable ranks of non-commissioned officers. The entry to officers' training schools may not be dependent upon a higher educational background. Members of the army are guaranteed civil vocational training or a position in public service.

In a similar vein the republican character of the police and the gendarmerie are to be secured.

Strengthening of the guarantees for the protection of personal freedom. Freedom of association, assembly, and the press; the prosecution of press corruption, the elimination of the law concerning vagabonds, the right to asylum for political emigrants.

Economic Policy

2. Social Democracy supports the increase *of the productivity of labour* as a condition for the raising of the living standard for the working masses. For that purpose it demands: removal of the limits that stand in the way of the development of the division of labour between nations. International dismantling of the tariff system and of obstacles to workers' freedom of movement.

Increasing the productivity of labour in agriculture and forestry. Available measures to that end are in the *Agrarian Programme* (considered a part of this party programme) passed by the Vienna Party Congress of 1925.

Elimination of craft guild and bureaucratic obstructions to the development of the productive forces. State promotion of the establishment and the development of new industrial branches for the utilisation of natural sources of energy and the extension of transport.

Vocational education for worker youth: extension of schools for continuing educational and vocational specialisation as well as workshops for apprentice training. The limitation of the apprenticeship period to that necessary for vocational training. Vocational advising and parity in the hiring of apprentices.

Maintenance and stabilisation of the value of currency.

Social Democracy demands the *combatting of economic crises* by concentrating public works and government orders in times of great unemployment and through the extension of productive unemployment benefits.

Social democracy combats capitalist monopolies [via] the intensification of state oversight of the credit and interest policies of the central bank, of all [other] banks, of cartels and of industrial concerns; the issuing of a law governing cartels.

State import and export monopoly for grain and milled products.

Elimination of entailment, laws protecting personal hunting and private fishing rights; transfer of the rights to hunt to the community.

Social Democracy supports the development of *community economy*; workers' cooperatives, commercial and peasant purchasing and production cooperatives, community run institutions; state and community run concerns. Elimination of capitalist commerce through the direct connection of peasant and industrial producers' cooperatives and consumers' cooperatives. Enlargement of community landownership. Communities' right of first refusal for all lands up for sale. Transformation of land and forest properties used by the community into community property. New regulation of access rights to community property in keeping with the *Agricultural Programme*.

Social Democracy defends the *protection of renters* and demands its expansion. *Public housing* construction by the local and regional governments, with subsidies from the national state, the dedication of the entire building tax for public housing, the communities' right of expropriation to acquire buildable land. Support of the construction and settlement cooperatives for rural workers and the expansion of protection for small tenant farmers in accordance with the demands of the *Agricultural Programme*.

Social Democracy demands the democratisation of the taxing authority. Reduction of consumption taxes on necessary items of mass consumption. Expansion of a progressive income, wealth, inheritance, tax, luxury taxes. Higher tax on incomes from property ownership than on incomes from one's

own work. Higher tax-free minimum for income tax, creation of tax-free minimum for taxes on profits and land.

Social Policy

3. Social Democracy defends the *right* of workers, employees, and civil servants *to unionise*. It puts its political power in the service of the *trade union struggles* of workers, employees, and civil servants.

Social Democracy supports the development of *economic democracy*: expansion of the right of co-determination for workers, employees, and civil servants in their workplaces and in the economy as a whole through enterprise councils, personal representations, the trade unions, and chambers of workers and employees.

Social Democracy defends the protective legislation already achieved for workers and employees and demands its extension. In particular it demands:

The complete implementation of the law for the eight-hour working day; further shortening of labour time in occupations that are especially dangerous to health. Legislative guarantee of minimum wages for those workers and employees who, scattered among small businesses, can fight for better wages only with difficulty (apprentices, household workers, those who work at home, employees, and farm servants). Fighting workplace accidents and occupational diseases. The expansion of workplace inspection.

Effective protection of apprentices: regulation of apprentice system in individual businesses through parity commissions. Liability of masters for the appropriate education of apprentices, shortening of working hours, and lengthening of the yearly vacation for apprentices and young shop assistants. Expansion of apprenticeship inspection. Appointment of workers as apprentice inspectors. Building of vacation facilities for apprentices.

Expansion and ratification of international agreements on protective labour legislation.

Inclusion of all workers and employees, including agricultural and forestry workers and household workers, in the *unemployment insurance* programme. Workers' self-management of unemployment insurance. Federal government subsidies for unemployment insurance expenditures, which rise progressively with the number of those unemployed. The securing of adequate support during times of enduring economic crisis, without a temporal limit for the length of unemployment which is not the fault of the worker. Extension of unemployment benefits to temporary workers. Unemployment insurance for the small producers affiliated with large capitalist enterprises, as well as for those who work at home. Welfare measures and educational opportunities for unemployed youth.

Expansion of sickness, accident, old-age, invalid, and survivors insurance, with sufficient expenditures by the Federal government to include all workers and employees, including the agricultural and forestry workers and household help on the basis of the self-management by the insured. Full introduction of family insurance.

Obligatory sickness, old-age, invalid, and survivor insurance for all small businesses, small peasants, and members of the independent professions.

The consolidation of all *workers and employees rights* in a book of labour law comprehensible to the average person. The settling of all legal disputes concerning workers' contracts by labour courts (commercial courts) with parity representation; constitution of youth senates in these courts. Democratization of *service and contract rights of public employees*. No limitations on advancement by those who are competent from the lowest to the highest positions.

Dignified care for the *war-wounded* and war widows, taxes on the classes enriched by the inflation for the benefit of *small pensioners and small savers dispossessed by the inflation*.

Expansion of social welfare at the local and regional levels for children and seniors, the sick, and those unable to work.

The Woman Question

4. Social democracy fights the prejudices which block the achievement of equal rights for women. It demands for women, too, the full ability for the development of the personality. It demands a greater recognition of the societal function of the woman as *mother* and as *housewife*, and protection against the overburdening of women through the *double burden of employment and housework*. Therefore, Social Democracy demands:

Lifting of all laws that place women at a legal disadvantage. Equality of rights for women in public service. Common education of both sexes by both sexes in public educational institutions. Prohibition of women's work in all occupations that are especially dangerous for women's health; full access for women to all other occupations and to all possible positions within their professions; equal possibility of vocational educational, the same wage for the same work. The easing of household work via useful institutions in the sphere of cooperative public housing. Lightening the load of mothers through the building of public day-care facilities for school age, pre-school age, and infant children. Legal equality for children born out of wedlock with those from legally married families.

Population Policy

5. With the cultural advance of the popular masses the birth rate falls, but so does the death rate, especially child mortality. The smaller the number of births, all the more necessary is the development of social administration, which reduces the death rate, especially the child mortality rate. Therefore, Social Democracy demands:

For regulation of the births: Creation of public counselling positions for the instruction in the use of safe means of birth control; the provision of such means through the health insurance system. Abortions are not to be combatted through the threat of punishment, but rather through advising and social welfare. Initially, abortion is to be declared a non-punishable offence when it is carried out by a doctor in a public clinic upon request of the pregnant woman. The public clinics are required to perform this operation for the pregnant woman if the qualified physician determines that the birth endangers the health of the pregnant woman or if the child is not expected to survive, or when the public care officials determine the birth of the child would hamper the economic existence of the pregnant woman in pursuing her occupational advance or the raising of her existing children would be endangered. The operation is to be performed at no cost.

For *the fight against mortality*, especially child mortality: the expansion of stipulations protecting pregnant women, maternity cases, and nursing mothers in workers and employees insurance legislation. Securing of payments for the raising of every child from public sources, and of public payments for every mother who nourishes a nursing child (Motherhood Insurance). Expansion of social welfare at the local and regional levels and of health insurance for expectant mothers, infants, and children. Expansion of dining facilities and physician's care in the schools and day-care facilities for school age and pre-school age children; vacation policies for school youth, apprentices and young shop assistants. Expansion of public health care; effective action to cure tuberculosis, sexual diseases, and alcoholism. Transfer of the pharmacological facilities to the local communities and the institutes of social insurance.

Schools

6. Social Democracy strives to eliminate the educational monopolies of the bourgeoisie. It demands the reform of the entire educational establishment upon the following principles:

The entire educational establishment is to be made public. Instruction will be free, as well as the materials for learning and working at every stage of the educational process.

Education of the youth towards self-directed activity at every level of education (workers' schools) and self-management (school communities); connection of intellectual work with factory work, of mental with physical education, at every level of education. Education in a republican and social spirit.

Extension of the required schooling initially to the eighth year of school; elimination the exceptions to schooling. Uniform schools; four year elementary school; general middle school as a requirement that goes from the fifth to the eighth year of schooling; a maximum of only thirty students per class; required special and auxiliary schooling for children with physical and mental handicaps.

Uniform teacher training at colleges (Hochschulen) attached to pedagogical institutes.

Extension of the requirement of continuing education for all those of school age who are not in a technical or high school (Oberschule). The establishment of schools for continuing technical training with teacher training workshops; physical and civic education alongside vocational learning; daily education on weekdays. Inclusion of learning time as part of work-time.

State educational institutions, stipends for study and homes for students, gifted children of all social classes should have the possibility of attending technical schools, high schools, and colleges (Hochschulen).

Achieving a nonpartisan college administration of the ways in which teachers are licensed, appointed, and disciplined. General student chambers. In the colleges there should be free competition of all schools of thought with scientific socialism.

Religion and Church

7. Capitalism keeps broad masses of the people in the condition of misery, ignorance, and subjugation. This condition determines also the religious views of the masses.

Only in a social order which releases the entire people from their misery and ignorance, which makes the achievements of science available to all and which raises each person to positions of equality in a people's community freed from class rule, will every individual be able to bring his worldview into full freedom in accord with the results of *science* and with the moral *dignity* of a free people.

The task of Social Democracy is to fight for such a social order.

To this end, Social Democracy must unite all those exploited by capital and the large landowners, no matter what their religious views, no matter how these religious views were created, no matter how their views may have been influenced by the condition of misery and ignorance in which capitalism has kept them.

Social Democracy unifies all who wish to participate in the class struggle of the working class, and those masses of people who share this plight, regardless of the differences in their religious convictions.

In contrast to clericalism, which makes religion an issue of party in order to divide the working class and keep the broad proletarian popular masses as adherents of the bourgeoisie, Social Democracy considers religion a private matter of the individual.

Social Democracy does not, therefore, combat *religion*, the conviction and feeling of the individual, but it does fight *churches* and religious societies that use their power over the believers to work against the liberation struggle of the working class and to support the domination of the bourgeoisie.

Social Democracy combats *the existing laws of the state church*. It demands a regulation of the relations between state and church, which would secure the right of every church and religious organisation to teach their beliefs and operate freely, regulation that would enable every individual to have the right to live according to the doctrine of his church or religious society, but which did not allow the state to compel the individual citizens to make payments to the church, to participate in church religious instruction and church ceremonies, and thus subject them to church commands.

Social Democracy demands the separation of state and church according to the following principles:

All worldviews (religious, philosophical and scientific) are equally protected by the law.

Everyone has the right to decide freely about his membership in an ideological community (church, religious community, free thinker, or agnostic world view community). Until a child is fourteen, parents make this decision.

All ideological communities (church, religious communities, and so forth) are *corporate bodies of private law*. They order and administer their own affairs, and confer their offices without participation of the state. They must cover the cost of administration of religious practice, ideological training (religious instruction), the education and maintenance of their chaplains (Seelsorgern) and religious teachers themselves. Expenditure of public funds for these purposes is not permitted.

The entire *educational system* is secular. It is up to each ideological community to take care of ideological education and religious practices outside of the framework of general public education. Parents will make the decisions regarding the participation of children until the child is fourteen. Theological faculties are to be excluded from the domain of the universities.

A uniform *law governing marriage* is to be established for all citizens regardless of their faith. Vows of marriage will be held before a state authority; nev-

ertheless, every person may decide to marry in a church after this public ceremony. The hindrances to marriage which religious differences create and the affirmations and vows of inseparability in Catholic marriage have no validity for the state. Legal recognition of divorce.

The marriage is registered by state authority.

Cultural Policy

8. Social Democracy establishes and supports educational organisations that strive for a mental and physical education of youth that is filled with a socialist spirit. It combats *drinking* and the behaviour that stems from drink. It promotes workers' sports. It organises the *workers' educational organisations*, and furthers the expansion of *people's educational opportunities* and the cultivation of people's art. It supports the efforts of the more advanced strata of the working class to appropriate the achievements of science and art and incorporate these gradually into the culture of the working class, itself derived from workers' living conditions and the spirit of their struggle for liberation, and melding these cultural elements into the germ of a developing proletarian-socialist culture.

v *The Transition from the Capitalist to the Socialist Social Order*

In the struggle for the class interests of the working class and those sections of the people who share these interests, Social Democracy encounters the limits of the capitalist societal order. It must remove these limits.

The *pre-requisites* for overcoming the capitalist societal order are created by the development of capitalism itself. Since the development of capitalism transforms capitalists into shareholders, it robs capitalist property of its original functions and thereby makes its negation possible. Since it concentrates power over the whole economy in the hands of big banks, cartels, trusts, and the big industrial and commercial concerns, it makes it possible for the working people to conquer economic power by socialising the means of production and exchange that have achieved such a high level of concentration under capital.

Moreover, the development of capitalism has called forth the *workers' movement*. Along with the workers' movement develop the cooperatives, the non-profit economic institutions, the state and community enterprises; in this way develop the forms of social management of the production and distribution of goods. With the growth of the power of the worker, his insight into the conditions of production grows and his sense of responsibility to the community for the course of production strengthens; with that it becomes possible to eliminate the command of capital over production without endangering it.

At the same time solidarity develops between *the manual and the intellectual workers*. With that the pre-requisite is developed whereby the intellectual worker is willing to place his knowledge and ability in the service of the development of a socialist society, and the manual workers recognise the indispensable importance of intellectual labour, now freed from the command of capital, for socialist production in the community of the socialised enterprise.

If the prerequisites for overcoming capitalism are created through the development of capitalism itself, then, through this same development, the overcoming [of capitalism] becomes a *historical necessity*.

The more intense the contradiction between the productivity of labour and the living standard of the workers, between the drive of the culturally mature working class towards self-determination and its subjugation in the capitalist enterprises, between its own political power and its societal lack of power, the more unbearable becomes the economic dictatorship of finance capital, of the large national and international cartels and trusts. The more the danger of new wars that arise from the capitalist contradictions becomes, the stronger becomes the revolt by the masses of the people against the rule of capital over production, and the hour draws near, irresistibly, in which the drive of the broad masses to strip the means of production and exchange from capital and to place them in the common ownership of the people becomes irresistible.

The socialist social order cannot, however, be built in an *individual*, small country that is dependent upon the capitalist world powers, but rather only *in large areas that cohere together*, in which the pre-requisites of a planned socialist economy are present. After the conquest of state power in its own country, the Social Democratic Workers Party will only carry out the socialisation of the means of production that is concentrated in the hands of the capitalists and large landowners only to the degree in which development in the other states has already created the pre-requisites for it.

To the extent that these pre-requisites are mature, the transition from the capitalist to the socialist mode of production will be carried out in the following manner:

1. *Large private and church-owned forest and agricultural holdings, urban construction sites, the mines, and the big firms in industry and transport* are to be transferred to the ownership of the community; capitalist *commerce*, capitalist *banking*, and capitalist *insurance* are to be replaced, in part, by community enterprises, and, in part, by cooperative institutions.

Whether the expropriation of the owners with or without compensation follows, depends upon the special circumstances at the time of the expropri-

ation. If it occurs with compensation, the payment must be completed over the period of a generation out of the revenues of the wealth and inheritance taxes.

The socialised large industries will, according to their character, be operated as national, regional, or community enterprises, or transferred entirely to community institutions, autonomous economic bodies, or cooperatives for their management.

The means of intellectual production – the press, book publishers, theatre, and so forth – may not be monopolised.

The degree to which the expropriated lands are to be transferred to the village communities, given to small farmers, small tenants, landless labourers, and other rural workers in temporary or inheritable contracts, and how peasant rights to use socialised forests are to be regulated, is spelled out in the *Agrarian Programme*.

2. During the transition period, *socialised and capitalist enterprises will exist side-by-side*. In this developmental phase the working class must support the planned *growth of socialised enterprises at the expense of the capitalist ones*.

The chief of the socialised enterprise, as well as the workers and the employees, who work in enterprises that are already controlled by a working-class-dominated public entity, by a publicly controlled economic organisation, or by a workers' cooperative, must see their work as *a service for the whole of the working class*, and must strengthen the intensity of their firms' growth in the interests of the whole of the working class.

To that end, on the one hand the public entities and the cooperative enterprises have to enlist their active workers and employees for broad-based *co-determination* and *co-administration* of the socialised enterprise. They must make their enterprises into social and political models and regulate the working conditions in them, in so far as the existence and growth of the socialised plant is not endangered, more fairly than in capitalist firms. On the other hand, the workers and employees active in these enterprises must increase their *work discipline* and labour productivity to the highest level.

In the degree to which these pre-requisites are fulfilled, new processes then can be developed for the *regulation of the working conditions in the socialised enterprises*. Every conflict over working conditions in the *capitalist* enterprise, regardless of whether this belongs to an individual capitalist or to the capitalist-controlled state, is a struggle between capital and labour. The working class cannot deny itself the weapon of the strike in such struggles. Every conflict over working conditions in an enterprise that belongs to a public entity or a cooperative controlled by the *working class* is a conflict between the common interest of the entire working class and the special interests of one individual stratum of

workers. Social Democracy must educate the workers and employees in these enterprises, without limiting their right to strike, to understand that such conflicts as a rule must be worked out by arbitration commissions and arbitration courts, which are appointed by the trade unions' umbrella organisation.

3. Socialism will eliminate the exploitative property of capitalists and large landowners, but not the property worked by the small business owner and the farmers. It will, however, further the development of cooperatives among the small business owners and the peasants and will energetically support the gradual, voluntary socialisation of appropriate branches of their production and the sale of their products. It will thereby incorporate them into the developing socialist society.

4. To the degree that the capitalist class is dispossessed the *community* must take over the functions, which until then have been exercised by the *capitalist class*. In place of the accumulation of capital there then is the planned increase and improvement of the social apparatus of production by the community. In place of the enhancement of the intelligentsia drawn from the sons of the bourgeoisie emerge institutions which enable the children from all levels of society to be educated to enter the intellectually more advanced professions at the entire people's expense. In place of the patronage of the capitalists and large landowners the community now takes over the cultivation of research and the arts.

With the socialisation of the large industrial concerns and businesses and the transformation of small business into cooperatives, the development of the productive forces is transformed from a means of enriching the capitalists and the large landowning class into the means of improving the *living standard, the health, and a cultural level* of the broad masses of the people. With the overcoming of the anarchy of the capitalist mode of production, the community achieves for the first time the possibility of securing for every worker a firm right to his job. As soon as the workers and the employees determine the processes of their work themselves and dispose over the fruits of their labour, as soon as the fruits of their efforts secure a better living standard for themselves and their progeny, the life work of the workers first achieves meaning and dignity. Along with the disappearance of the terrors of proletarian existence, the causes of hyper-competitiveness of small businesses and the indebtedness of the peasantry disappear. Along with the division of society into exploiting and exploited classes, class rule and class struggle are overcome. The entire people will enjoy the fruits of its joint work in the national economy.

VI *The International*

Within capitalist society the advance of the working class is dependent upon the advance of the working class in all other countries. Overcoming capitalist society and constructing the socialist one presupposes *the cooperation of working classes of all countries*. The socialist workers parties, therefore, have the task of unifying the workers of all lands in a common struggle, of teaching them to stand by each other in struggle, and to sublimate the special interests of the workers of each country to the common interests of the international working class, to overcome the divisions within the working class on the basis of the self-determination of the proletariat as a whole, and in this way to oppose the international power of capital with the *unified, organised world power of the working class*.

The next task of the International, which includes the workers of all countries, is *the struggle against the danger of war, which arises from capitalism*.

In the battle against the dangers of war, the Social Democratic Workers Party, together with the workers' parties of all other countries, confronts the following tasks:

1. Social Democracy demands the *methodical* education of the young for *peace among nations*, and to respect the rights and dignity of foreign peoples. It combats all policies that call forth *hatred* among peoples; it especially combats, therefore, every loss of rights and persecution of national minorities.

2. Social Democracy demands the cultivation of *peaceful relations among all states*. It opposes every attempt to draw the Republic into a *war*. It will fight with all its power against every imperialist or nationalist war.

3. Social Democracy is conscious that an enduring peace can only be established upon the principles of freedom and equality of peoples. It espouses, therefore, *the right of self-determination for all peoples*. It demands the same rights for its own people.

It supports *the struggles for liberation of all peoples* against the imperialist control of foreign powers, and against counter-revolutionary interference with their revolutions.

It defends the *freedom of the German-Austrian people against tutelage and exploitation by foreign capital*, and against the interference of foreign states in the internal affairs of the Republic. It is determined to defend against every attempt to subjugate the Austrian people from abroad to a monarchist restoration or to a fascist attempt at take-over.

4. Social Democracy considers the *joining of German Austria with the German Reich* as a necessary termination of the national revolution of 1918. It strives to join the German Republic with peaceful means.

5. Social Democracy strives to develop an international legal order that makes it possible to arbitrate all conflicts between peoples, to protect weaker peoples against stronger ones, to carry out international disarmament, and to revise the imperialist treaties of 1919 upon the basis of the self-determination of the peoples.

Social Democracy considers the present *League of Nations* as a battleground of class warfare. It combats the capitalist and imperialist powers that have made the League of Nations into an instrument to defend the capitalist social order, the imperialist treaties of 1919 and order of nations based upon them. It considers it as the task of the international working class to put pressure upon the League of Nations to enable all nations to meet the pre-conditions for entry into the League, to democratise its organisation in order, finally, with the state power of individual nations, to be able to also conquer the League of Nations and to thereby transform it, for the first time, into the real protector of peace and freedom for all peoples.

Social Democracy subordinates all its contemporary struggles to the struggle for its final goal: the securing of an enduring *peace among peoples*, and the *freedom of all peoples through the international federation of socialist communities of every nation*. Programm der Sozialdemokratischen Arbeiterpartei Deutschösterreichs. Beschlossen vom Parteitag zu Linz am 3. November 1926 reproduced in Hans-Jörg Sandkühler and Rafael de la Vega 1970, *Austromarxismus. Texte zu 'Ideologie und Klassenkampf'* von Otto Bauer, Max Adler, Karl Renner, Sigmund Kunfi, Béla Fogarasi und Julius Lengyel, Vienna: Europa Verlag, 378–402.



The Party's Next Tasks (1927)

At the Vienna Conference, which was held at the Verbandsheim on the Königsegasse and was well attended, Otto Bauer spoke on the immediate tasks of the party following the elections.

We have victoriously won a great battle, but after this battle the great war continues. During the elections, the most exploited layer of the industrial

working class, the brick workers, went on strike. This strike deserves our full attention. The pitiful wages that are paid in the brickworks, the [workers'] miserable living conditions, the way in which the factory council law was nullified in one plant – we have to perceive all of that as an enormous disgrace. The owners of the brickworks belong to the most favoured owners in Austria: They have a protective tariff; they have achieved a wholly undeserved exception to the eight-hour day; they have understood how to implement the Domestic Labour Protection Law in a way that undeservedly benefits them. These men provoke us all and it is, therefore, our first duty today to express our solidarity with the brick workers and to tell the owners of the brickworks that the whole Viennese working class stands behind the brick workers. (Lively agreement.)

The electoral contest had one result above all. We have victoriously beaten off the concentrated attack of the united bourgeoisie on the Red city administration. True, we have no more representatives in the city council than we had before. This is a result of the arithmetic of the unified list. But behind our seventy-eight councillors stand 62 percent of the whole people, while earlier it had been only 55 percent. That means that our city government rests on the overwhelming majority of the population and has the ability to fully carry out the resolutions the Vienna Conference passed at the beginning of the electoral campaign.

We expect that the city government will move ahead with the usual energy to build the 30,000 apartments called for in the programme; we expect that it will implement the credit policy for the Russian transaction as soon as possible, and that it will continue to provide credit help to small businesses on an even more generous basis; we expect that as soon as the loan is granted, contracts for city businesses immediately will go out and thereby even more effectively carry out the struggle against unemployment. We expect, as well, that the city administration will carry out the resolutions of the Vienna Conference on the expansion of public assistance and on the school system. All that is a foregone conclusion, the situation in City Hall is totally clear. (Agreement)

The impact of the electoral results on politics at the federal level and in parliament are much more complicated and difficult to judge. It is of course totally incorrect when some people describe the situation as if nothing at all or nothing substantial has changed in the National Assembly. The parties of the unified list, the Christian Socials and the Pan-Germans, which earlier had formed a stable governing majority in Austria and have ruled since 1920, no longer have a majority in the new Assembly. As a result, the leader of these parties, Herr Dr. Seipel, has to worry about forming a new governing majority. No one doubts that Herr Dr. Seipel will try to build a new ruling majority by attempting to add the third bourgeois party, the Landbund, to his majority. We

do not know if he will succeed. But today we already have to draw attention to the danger that the nine Landbund votes, which Herr Dr. Seipel needs, will be bought with concessions that will come at the expense of the Austrian economy. There is the serious danger that Herr Dr. Seipel will buy the Landbund votes with a sharpening of trade policy, with a substantial increase of tariffs on agrarian products on the one side and with the cancellation of important trade agreements on the other. I don't need to argue here with the Vienna shop stewards about what that would mean. It would mean that all important food products would become noticeably more expensive, it would be disadvantageous for our industrial and business exports into neighbouring agrarian states, and Austrian unemployment thereby would increase still further. One will have to keep a sharp eye on him in the negotiations.

Every day the Social Democrats receive that friendly admonition from various sides, especially in the bourgeois press, that one should finally end the conflict among the parties and that all of the latter should unite in brotherhood to rebuild our economy. Until 24 April one heard something very different. Then one heard that one has to drive us back and make us powerless in order to rebuild the economy. Driving us back did not succeed. Now one says to us that the parties have to unite for economic reconstruction. In reality, however, the conflict between the parties is about the means with which the economy should be rebuilt.

If the men of the unified list believe that the economy should be built up through a sharpening of the protective tariff system, we are of the opinion that exactly that [policy] would make economic reconstruction impossible. If the men of the unified list believe that the economy would be rebuilt through the abolition of protection for renters, we believe that retaining protection for renters is exactly what is needed to build up the economy. If the men of the unified list think that economic reconstruction means putting off old-age and invalid insurance for the distant future, we believe that the immediate adoption of old-age insurance would be the means of reducing unemployment and building up the economy. (Cheers)

The opinion that one should only think about the reconstruction of the economy has the aim of diverting our attention from a series of important cultural questions, which must be attended to even in the toughest economic times.

There are cultural questions, which absolutely must be resolved. Comrades all remember the struggle in the earlier National Assembly over the school question in Burgenland. In the earlier Assembly, clericalism suffered a defeat and the government was charged with the task of carrying out the repeated decision of the Burgenland Assembly to bring its School Law into agreement with that of the national government. However, the government did not fulfil

its charge. Soon after the National Assembly's decision, Cardinal Pfiffel issued a pastoral letter against the dissolution of confessional schools in Burgenland and the government then acted in accordance with this letter rather than the decision of the National Assembly. (Outrage) We cannot forget that. At a time when the Hungarian press is speaking a language in which the return of Burgenland to German-Austria is presented as a short-term, provisional [matter], we must insist that the disgraceful Hungarian School Law in Burgenland be swept away. In the new National Assembly, where the Christian Socials are significantly weaker than before, it must be possible to implement that. That will be one of our very first demands. (Cheers)

We will also not forego bringing up other cultural issues. Thanks to Herr Dr. Seipel's strategy, the Christian Socials have two more mandates in the new parliament than we do. The majority of the Austrian people did not vote for the clericals. That must be taken into account, and it goes without saying that an issue such as the reform of the marriage law – eliminating the chaotic situation in this sphere, which has arisen in Austria – must be dealt with in the new National Assembly.

Above all one cultural issue will have to dominate public life in coming weeks, for the simple reason that the National Assembly has a deadline to meet. The current rules governing the curriculum for the middle schools lapse at the end of this school year. In connection with this, the parliament is forced to come to a decision which is of decisive importance for the future of our school reform. The issue will be one of the first, if not the first, with which parliament will have to grapple. You know that Education Minister Schmitz has worked out regulations for elementary and middle schools that cast us back eighty years and would steal even elementary schooling from a large portion of working-class children. It is not enough for us to fight off this challenge. The agenda calls for a decision over the central issue of whether we can reach the goal that seems to all of us to be the decisive means of breaking the educational monopoly of the bourgeoisie; of whether we can realise the free and unhindered development of the general middle school, which secures to all the people's children middle school until their fourteenth year.

We demand the unified school until the age of fourteen. After the age of ten, after elementary school, all children should enter the general middle school. The inevitable decision over whether one goes into an apprenticeship or moves on to an advanced middle school (Obermittelschule) should only occur after one is fourteen. This is of decisive importance to the working class. If we can establish the general middle school and tie this step to a well-funded system of scholarships for those entering more advanced schools – our local programme has already made a considerable step forward in that regard –

then it would be possible for all of the people's gifted children to rise into the intellectual professions. That places us on the path to securing open access for all talents; it puts us on the road to a future in which the intellectual leadership of the nation draws on those emerging from the masses themselves. (Stormy applause) In this goal our whole social problem is made manifest. It is important, therefore, to make sure that children, who have finished the general middle school, without a special exam but presupposing good grades, can then move on to an advanced middle school, and that we can reform the curriculum of the four lower classes of the established middle schools in such a way that it is brought in sync with the curriculum of the general middle schools. The complete blending of the lower classes of the established middle schools with the general middle schools has to be prepared, so that in a few years there is only one middle school for all children. Education Minister Schmitz is a deadly enemy of these efforts. According to his plan, the decision over the children's future schooling should occur as early as ten years of age. The broad masses of the working class must be educated about the enormous social importance of this issue, so that we can rely on the support of all organised workers and employees in our struggle in the National Assembly.

For us, the electoral struggle has yet another meaning besides that of securing our position at City Hall and placing new tasks before us in parliament. The thing that is of most significance in the election is that the results showed that the path we have chosen – that of conquering power with democratic means – is certainly possible.

We have seen that we have made a noticeable step forward from one election to the next. In a few years our proportion of the total vote has steadily and rapidly grown. In 1920 we had barely 36 percent of the total number of voters and this time we won almost 43 percent. In six-and-a-half years our portion of the total vote increased seven percent. That is very significant. If we continue to work as we have, one will be able to achieve a majority in parliament without any mathematical tricks and without having to buy up any votes.

Nevertheless, that presupposes that we continue to work as before and that we grasp [the need] to immediately take advantage of every success. I know that it is an unreasonable expectation of every shop steward, male or female, if after this election, in which every comrade has done his or her best, we come back to you with new tasks. But we are old veterans and know that we may not neglect the oldest and most certain rule in the art of war: it is an old experience that the most critical moment in every struggle is the one in which you have stormed the enemy position. At that moment one has the impression that one has the right to be a bit tired and to take a break. But anyone experienced in war knows that just then is exactly the wrong moment to rest and that success

completely depends on shoring up the position that one has just taken and not letting one's opponent recover. That is the moment in which we now find ourselves.

By what means have we achieved our successes? We have fought the electoral campaign with the most enormous efforts, but we would be fooling ourselves if we believed that we won in the electoral struggle. In elections one only harvests what one has sown years earlier. In reality our success goes back to the work since 1923. The impressive growth of our organisation explains our electoral victory. Our next task must now be to make the masses of new voters, whom we have just won over, into real party comrades and to incorporate them into our organisation. I believe that the moment for that is very positive. Shop stewards in the districts have told me that they can barely keep up with the applicants for our organisations. Therefore our Vienna committee has decided that we should follow the electoral campaign with an action to win more party members. With that we are already undertaking the first step to the next election. But as important as it is to organise the Social Democratic voter, we also know that that alone does not make him a real party comrade. He cannot simply be included in the registry of party members who were recruited in the heat of the election, but must also be brought into constant intellectual connection with the party. That makes it necessary to take advantage of the electoral campaign for our party press. (Agreement) This time in the electoral campaign we stood in a solid front against the capitalist press, which fought this election in very different ways and with very different means than in earlier contests. In 1923, too, the capitalist papers were against us, but they fought the struggle with a certain 'refinement', behind which they sought to hide any capitalistic baseness. This time the 'refined' gesture is gone. They have not only fought a political struggle but also a personal one against every one of us. They have no other content than the election campaign, while in 1923 they wrote about a hundred other things. The big efforts that the capitalist papers have made also are nothing other than an homage to our strength, whereby, nevertheless, the tax on advertisements might also have been an added stimulus. (Laughter and agreement) We must divide these papers into two groups. On one side stand the financial papers like the *Neue Freie Presse* and the *Neue Wiener Tageblatt*. They are papers which are written for the class-conscious bourgeois. What really interests us and what is a problem for the party, however, are the other papers, which also stand in the service of the stock market, not to influence the bourgeoisie, but rather to win over proletarians who are not class conscious or are not class conscious enough. These papers cover themselves in the cloak of non-partisanship, and only at the moment of decisive struggle unmask themselves as an instrument of big capital against the work-

ers. That is the function of the so-called 'non-political' papers. Some of these have at least unmasked themselves. It has caused bitterness in a large part of the working class and also admiration among some that the *Kleine Volkszeitung*, whose readership consists in large measure of workers, including organised ones, unmasked itself and showed itself to be a fighting organ of the unified list. (Agreement) It also would be unjust to criticise these newspapers. Why does Herr Sieghart, the dominant figure in the Land Mortgage Bank and also at the Steyrermühl, edit the paper? Not for the goal of making money, but above all for the goal of using these papers at the decisive moment for the interests of the propertied. Sieghart is not only the head of three large Vienna banks, the chief of a number of provincial banks, and the master of a whole series of industrial enterprises in Austria, he is also the most intimate ally of Herr Dr. Seipel. Just remember the time when one Christian Social bank after the other went bankrupt. Sieghart stepped into the breach to stabilise them. What is the unity list? The alliance of the church hierarchy with capital, that means of Seipel with Sieghart! Sieghart fights for his cause and because he has a paper read by thousands of proletarians every day, it is natural that he makes use of it when necessary. One should not criticise Herr Sieghart and the *Volkszeitung*, but rather ourselves for not succeeding in sweeping away the disgrace that tens of thousands of organised, male and female party comrades allow themselves to be deceived by the lords of big capital. (Lively applause) Therefore, we, too, must take advantage of the moment. The *Kleine Volkszeitung* has revealed itself, and the comrades who earlier viewed the paper as neutral know the secret behind the paper. To every organised worker, male and female, we must say, 'Shame on you and don't be so naïve to allow yourselves to be deceived by Sieghart!' (Lively agreement)

What is to be done? Naturally, we have to exploit the electoral contest for the *Arbeiter-zeitung*. Whoever wants to experience our struggle intellectually can only do that as a daily reader of the *Arbeiter-zeitung*. But there are good comrades for whom the *Arbeiter-zeitung* is too serious, too difficult, and too political, who are used to other types of reading material and cannot make their way to the *Arbeiter-zeitung* in one blow. As we can discern with great satisfaction, the *Arbeiter-zeitung* is read by a much larger part of the working class than earlier; it is probably the Social Democratic newspaper with the broadest reach on the continent. But we have recognised the need to have another paper besides the *Arbeiter-zeitung*, which makes fewer demands upon its readers and is better adapted to the need for lighter fare. The party has worked on this problem for many years. Rank-and-file members have repeatedly urged the creation of a small paper. The party executive had opposed [the idea] but finally founded the *Kleines Blatt*. We now have some months of experience with the *Kleines*

Blatt. Given Viennese conditions, it was an immediate success and achieved a large circulation. (Lots of applause) The advance which we have achieved with this paper, did not come at the expense of the *Arbeiter-zeitung*. (Renewed lively applause) In the same period the *Arbeiter-zeitung* not only held steady but its circulation has grown. That confirms that there is room for both papers in the Viennese working class. Therefore, today we have the courage to do what we have not done in the assembly of shop stewards, in which the *Kleines Blatt* was first discussed. At that time we said, the party organisation may not actively promote the *Kleines Blatt*, because the development of the *Kleines Blatt* might come at the expense of the *Arbeiter-zeitung*. Today we can say that the party organisation likely will continue to prioritise its activity on behalf of the *Arbeiter-zeitung*, but it will also support the *Kleines Blatt*.

It would be a step backward if the readers of the *Arbeiter-zeitung* switched to the *Kleines Blatt*, but it is progress, when the readers of the *Kleine Volkszeitung* switch to the *Kleines Blatt*. Therefore, we believe that we can recommend that you take advantage of the situation created by the election for an action that will convince the whole working class that it is disgraceful to read the Sieghart papers, that whoever fights with us has to read the *Arbeiter-zeitung*, and that those for whom the *Arbeiter-zeitung* is too hard, also can read the *Kleines Blatt*. (Stormy applause)

Such an action could be very successful today. The Vienna Commission will recommend that party members canvass to win over readers for the *Arbeiter-zeitung* and the *Kleines Blatt*. That is how one immediately takes advantage of the electoral contest, of the already achieved success. I repeat: We know what an unreasonable expectation it is for you and all comrades to start again with the hard work of going from house to house, from apartment to apartment, and from door to door. But we believe that you will understand. We have stormed the enemy position and now it is essential to claim it, fortify it, and pursue the enemy. We are fortifying it by making new voters into new party members; we pursue the enemy by driving the capitalist press out of the worker's home so that daily newspaper reading brings every member intellectually closer to the party. Take advantage of the moment the elections have given us, work with energy after the victory we have just won for the victory yet to be achieved. (Long and stormy applause)

Otto Bauer, 'The Party's Next Tasks', *Arbeiter-zeitung* (Vienna, 5 May 1927) (*Werkausgabe*, 6, 446–55).

The July Events (1927)

Whoever wants to understand the July events in Vienna must visualise the fundamental social facts of Austrian life. The most important of these are as follows: Class antagonisms in Austria are blunter than in most other places. Austrian Social Democracy reached almost 43 percent of the vote in the last election. The bourgeoisie fears that in a few years we could conquer power using democratic means. It is embittered about Social Democracy's parliamentary tactic, which in important cases, especially in the struggle over protecting renters, has prevented the parliamentary majority from passing the laws it wants. It is infuriated about the powerful position of the workers' trade unions, particularly the workers' ability to shut down vital transport operations at any time and that the unions have recruited a large part of the members of the military and retains their loyalty. However, the bourgeoisie is most embittered about the tax legislation of the Viennese community, which, established as an independent federal state, is expanding social assistance and the educational system by taxing wealth and luxury. The embitterment of the bourgeoisie is revealed by the coalition of all the middle-class parties to form a unified list of candidates and in the furious *anti-Marxist* agitation of practically the whole bourgeois press.

On the other side, the working class also lives in a condition of great embitterment. Unemployment is very widespread. Many workers have been unemployed for years. The terrible economic crisis makes any conflict over wages more difficult. The bitterness of the working class was especially pronounced through the last elections. The workers saw that the bourgeoisie attempted to do away with all the fruits of their most important electoral success by uniting all the bourgeois parties in parliament against Social Democracy. Yes, the bitterness on both sides has become so great that almost all social relations between members of the two hostile classes have become impossible. For example, one has experienced the breakup of animal welfare associations due to party conflicts so that now we have bourgeois and proletarian animal welfare associations.

The sharpening of class antagonisms also influences the justice system. Whenever fascist gangs have killed workers in recent years – and that has occurred frequently in local conflicts – the entire legal process becomes a partisan political battle between the bourgeoisie and the Social Democrats. That is the only way to explain why, in each of these murders, there is no punishment. Court judgments, in which fascists who have killed workers are exonerated, have done the most to intensify workers' bitterness. Most recently, on 14 of July, when a jury acquitted fascists who had killed a worker and a child, this embitterment led to an outbreak of wild fury.

The Antagonism between Vienna and the Federal States

Social Democracy's position of power is rooted in Vienna and in the industrial area on the edge of the city, Wiener Neustadt. In all other federal states religious peasants form the majority of the population; the social democratic cities are only small islands in the clerical-peasant sea. To be sure, Social Democracy struggles to establish itself among the rural populace, but this struggle largely has only been successful in those areas dominated by large landed estates, as in part of Lower Austria and in Burgenland. The rest of Austria outside of Vienna is dominated by the bourgeoisie of the mid-sized and small towns, who are backed by peasants led by Catholic priests and partially organised in armed and fanatically anti-socialist paramilitary bands (*Heimatswehren*).

If the Austrian working class had responded to the spilling of blood on 15 July with the revolution, with an open fight for state power, the revolution would have unfolded in the following way:

In Vienna it might have been possible, though only after tough fighting and only at the price of many victims and terrible destruction, to force the government to capitulate and to set up a proletarian dictatorship. But the power of this proletarian dictatorship would only have extended to Vienna and the surrounding areas of Lower Austria. In the states, where only those railroad workers spread along the rail lines and the workers in the few industrial communities would have had to carry the movement, the working class would doubtless have been crushed. The states would have separated themselves from Vienna and set up a joint opposition government. Open war between Vienna and the states would have been unavoidable. It certainly would have led to a hunger blockade of Vienna and just as likely to foreign intervention, with Hungary invading Burgenland and Italy entering Kärnten and Tirol. The Vienna workers would have fought heroically, but they definitely would have been beaten. All the possibilities for the future, embodied in the mighty power of the Austrian trade unions, would have been wasted in one blow.

Those are the basic facts, the fundamental power relations, which one must recognise in order to grasp the course of events in Vienna.

Now to what actually happened.

On Friday the 15 July, when the acquittal of the Schattendorfer murderers became public in Vienna, a part of the city's large factories downed tools and their workers marched along the Ringstrasse. Such spontaneous strikes and demonstrations have occurred repeatedly in Vienna without having led to acts of violence. If it was different this time, it was above all because of the colossal growth of workers' bitterness. Besides this, however, the following factors also played a role:

At the beginning of the demonstration, the police felt too weak. Due to this sense of weakness, just as the demonstration started they used a means that Vienna had not experienced for decades and which infuriated the workers: an assault of mounted police against the demonstrating crowd.

That was the immediate cause of the clash. The crowd took revenge for these attacks by setting fire to some buildings and attacking individual guards.

Because the members of the republican *Schutzbund* had left work with their factory [workmates], it was difficult to assemble them. Consequently, the party, which immediately intervened, did not dispose over units strong enough to maintain order until late. As soon as these formations were on site, they made the strongest possible efforts to restore order and open the way to the burning buildings for the fire department. After a long struggle with undisciplined elements among the demonstrators, they had just about accomplished this goal – they had just succeeded in getting the fire department to the burning justice building – when a police commander lost his head, came to doubt the success of the *Schutzbund*'s efforts, and let the police fire a salvo into the crowd. That was the beginning of the bloodbath.

The demonstrating crowd was scattered by the police salvoes. But the dead victims infuriated the workers. As a result, the next afternoon, long after the demonstrations on the Ringstrasse had ended, police posts and guardhouses were repeatedly threatened and attacked. The police became fearful and began to shoot indiscriminately at assembled groups, even when there had been no attacks. The majority of the victims were not killed at the demonstration on the Ringstrasse, but as a result of this arbitrary shooting by the police. The number of victims was even larger because the police criminally used lead bullets without a steel casing, in other words bullets that had a dum-dum effect.

On the afternoon of this bloody day the party executive and the trade union commission had to consider how the working class should respond to this outrageous spilling of blood. Both bodies unanimously decided to call a twenty-four hour general strike of the whole working class on the following day and called for an immediate and unlimited shut down by the railroads, post office, telegraph and telephone exchanges, and shipping on the Danube. The decisions of the executive and of the trade union commission were executed with outstanding discipline.

The twenty-four hour general strike began and ended exactly to the minute for which they were called. Not a single factory rejected the decision and not a single plant continued the protest beyond the agreed upon timeframe. Transport operations, however, as had been agreed, remained on strike beyond twenty-four hours. Even the occupation of stretches of the railroad in Tirol and

parts of the Steiermark by armed Heimwehr formations had not been able to break the railroad workers' strike.

On Saturday there were still some cases of shooting in the streets, but it soon quieted down. Drawing on men from the republican *Schutzbund*, the Mayor of Vienna formed a community protection guard. Wherever a clash threatened between the police and the masses, the community protection guard rushed to the spot and replaced the police. The same masses, whose hate raged against the police, greeted Red Vienna's new community protection guard with joy. In this way it was possible to bring an end to the bloody classes on the streets.

Meanwhile the transport strike continued on Saturday evening, Sunday, and Monday. The goal of the strike was as follows: On Friday afternoon, as the police dominated Vienna's streets, on the one hand it was necessary to give expression to the workers' protest via a powerful demonstration and, at the moment when rifle salvoes scattered the demonstrators, to strengthen their consciousness of their power. On the other hand it was necessary to threateningly show the reaction, which regarded itself as the victor, that, without resorting to arms, the working class still disposed over power that could not be eliminated by police guns. Concrete demands were put forward when the strike was proclaimed. The great Vienna shop steward assembly, which met on Sunday, thought it enough to empower the party executive and the trade union commission to continue the strike until there was no longer any immediate danger of the reaction using the bloody events for its own ends.

On Monday representatives of the party and the unions met with the Chancellor. The conversation had two results. It was made completely clear that the government was not thinking about taking advantage of the situation for any reactionary effort to attack the workers' organisations or their rights; on the contrary, immediately after the ending of the strike they would convene parliament and allow it to make further decisions. The government refused, however, to express its will in a public statement until the strike ended.

The situation was now as follows: We had the choice either to intensify the pressure on the government by halting the movement of trains transporting food, which had been exempted from the strike, and to broaden the strike into other vital industries (water, gas, electricity, and so on), or to break off the strike, because we surmised that there was no immediate danger of a reactionary offensive. The first possibility, the intensification of the strike, would doubtless have meant taking up the fight for state power, the revolution, and civil war with all its consequences. The second possibility, the ending of the strike without any public assurances from the government, would have brought the danger of the party and unions losing prestige. We decided for the second choice. That we were right is illustrated by the attitude of the strikers. The decision to go back

to work after midnight was obeyed by hundreds of thousands with punctual exactitude and without resistance. Although we could not bring the masses any visible concessions from the government, they trusted their leadership that the strike could be ended without danger as soon as the leadership had made the decision. Only in the Tirol, where the Heimatwehr occupied the rail lines, did the railroad workers declare that they would resume work only after the withdrawal of the fascists. That occurred on Tuesday around 8:00 after the fascists withdrew.

The whole attitude of the party and the unions is understandable. We did not want the bloody events to be driven forward to revolution because we were convinced that this revolution, even in the case of victory in Vienna, could only end in civil war between Vienna and the states and in foreign intervention. A proletarian dictatorship in Vienna facing hostile federal states and threatened by Italian and Hungarian fascism certainly could not end in anything but the most frightful defeat. But if we wanted to avoid a civil war, we wanted to do so through a mighty demonstration to strengthen workers' consciousness of their power, which the bloody events had called into question, while on the other side intimidating the reaction, which sought to take advantage of these events. I believe that we succeeded in both aims. Our organisations remain strong. It is not yet knowable what political consequences the events will bring forth, but it will become clear in the halls of parliament that no attack on our position of power can succeed. As a long-term result of the bloody days it is probable that the Community Protection Guard, which the Mayor of Vienna had set up in the hour of danger, will remain. This is a substantial strengthening of the social democratic community. All those at home and abroad who believe that the bloody July events can have resulted in a setback for our mighty Austrian movement will soon become aware of their error. In spite of all of the passionate criticisms of our tactics, they protected the Austrian working class from a civil war, without simultaneously submitting to the bullets of the police, and provided a powerful demonstration of proletarian discipline by means of a major transportation strike!

Otto Bauer, 'Die Juliereignisse', *Arbeiterwille*, 29 July 1927 (*Werkausgabe* 7, 651–7).

Rudolf Hilferding

The Transformation of Politics (1922)

The most essential thing we have achieved as a result of the collapse [of 1918] is political self-determination, the autonomy of the German people, the parliamentary system. What does that mean? Might it not presage disaster given the political parties' unpreparedness, a condition and heavy burden transmitted to us from the recent past? The answer depends upon the development of the German party system. For the party now really must become political, the moulder of the political will and, as such, a necessary and indispensable element of the state. Politically considered, the state is nothing other than the conscious regulation of social relations, and is therefore identical with the government in all its functions; the parties, however, are the actual or potential bearers [of state power]. Modern constitutional institutions must make possible the formation of a coherent governmental will (*Staatswillen*) to which, as a consequence of social power relations, all the classes of modern society subordinate themselves. This process can unfold only through the formation and struggle of political parties. It is politically senseless to want to anticipate the respective results of social struggles through artificial means. Any representation by social station; any decision-making power by economic groups is an impossibility in modern society. It presumes that some all-wise lawgiver knows from the beginning the measure of each group's social power, which in fact only can be ascertained in political struggles of social groups that have transformed themselves into political parties ...

It is not the replacement of political parties that is necessary, but their transformation. The parliamentary system brings this about. It forces the parties to [adapt] to political reality and to give up doctrinaire attitudes. This does not entail the repudiation of great, radical, transformative final goals. But mere propaganda and simple professions of faith no longer suffice. It becomes necessary to show the practical way [forward], to place the next step – the task that has to be carried out immediately – in the foreground, and to conquer a majority alone or with allies in order, as the ruling party, to implement the demands put forward when in the opposition. This also impacts the behaviour of the opposition. It must reckon with being summoned at any time to execute its programme and must therefore limit its demands to what is immediately doable. Moreover, in a developed democracy, because the respective social and political power relations are clear, the use of extra-parliamentary means is limited.

Such tendencies must fight hard in the new Germany in order to achieve a breakthrough, but they are slowly advancing. The internal process of development experienced by Social Democracy, the strongest party, is significant. The party most alienated from the old state has now consciously become the champion of the Republic and adopted an attitude toward political problems permeated by a strong sense of responsibility. The position of the [Catholic] Centre party is rather singular. Born in the *Kulturkampf*, it united all strata of modern society linked together by a non-political, religious bond. The Centre's leaders were constantly forced to deal with the results of the various forces and currents represented in the party, a kind of political schooling denied to the other parties. The religious bond also gave it greater freedom of movement and adaptability. After successfully withstanding the *Kulturkampf*, the Centre was the party best able to pursue politics rather than theology. This extraordinary adaptability also made it one of the ruling parties of the new era. But what had previously been its strength is now becoming its weakness. The religious bond makes it an eternal minority and separates its members – for non-political reasons – from society. It becomes problematic. If dropped, the Centre would become the decisive bourgeois party [and] party building would rapidly move ahead. For the parliamentary system [and] the compulsion to govern drive the concentration of political forces and the movement toward a two-party system. The inherited political groups resist [this development], but it is underway. The dividing lines among the parties are growing thinner and coalitions and working groups are forming ... At the same time there is new ferment in the old parties. In all bourgeois parties the antagonism is growing between the right wing, which traditionally holds fast to its narrow interests, and the left, which clearly senses, if it doesn't fully recognise, the need for a change in political attitude toward the state.

And that is what is significant and hopeful ...

Rudolf Hilferding, 'Wandlung in der Politik', 1922, *Die Frankfurter Zeitung* (31 December). Second morning edition.



Problems of Our Time (1924)

Ten years have passed since the outbreak of the war and the world has still found neither its economic nor its political or intellectual equilibrium. Histor-

ical development is in the wildest state of flux and humanity is living through a period of storm and stress unheard of in its extent and intensity.

In the midst of events that call us all to action, it is the difficult task of the social sciences to ascertain the facts, to analyse driving forces, and to investigate the tendencies of development. In 1848, as the revolutionary movement ebbed, Marx was able to return to his study. At that time, a quiet period followed the ferment of the revolution as the disenfranchised masses were left to their fate under absolutism or Bonapartism. Today the depth and breadth of social unrest is much too great for that kind of restoration. Roused by the war, the masses retain an elevated and powerful sense of themselves as actors on the stage of history. A return to outmoded forms of state and national domination is impossible. Dividing time into moments of study during periods of political retreat and activism and struggle during periods of renewed ferment is no longer possible. We must learn to combine the two.

In order to try and begin to understand the developments of the last decade, this investigation pursues three main lines of inquiry. We aim to examine changes in the economy, the transformation of domestic political conditions – particularly the fundamental relationship between the state and the people – and finally the new order of national states and its effects on the development of foreign policy.

Economically, the war and the post-war period have brought with them an extraordinary increase in the tendency of capital toward concentration. The development of cartels and trusts has intensified enormously. The period of free competition is drawing to a close. The great monopolies are becoming the decisive force in the economy and are bound ever closer to the banks, in which social capital is concentrated and placed at the economy's disposal. The once separate forms of industrial, merchant, and bank capital now strive toward unity in the form of finance capital. This marks the transition from competitive capitalism into organised capitalism. The socialisation of the labour process in [individual] large-scale enterprises progresses toward the socialisation of the labour process in whole branches of industry and the socialised branches of industry move toward unity with one another. Increasing at the same time is the conscious organisation and steering of the economy, which strives to overcome the anarchy of free-market capitalism on a capitalist basis. If this tendency would be allowed to mature, then the result would be an economy that is, indeed, organised, but in a hierarchical, antagonistic form.

It is an attempt to regulate and organise the social productive forces for the benefit of those classes that own the means of production. These would then assert decisive influence on the production and distribution of the social

product. The instability of the capitalist economy would be reduced, and crises, or at least their impact on the workers, would be mitigated. The central elements of such a policy would be the planned distribution of new investments through the great trusts, a certain restraint in new investment in fixed capital during periods of rapid growth and saving for a period of business slowdowns, as well as the appropriate regulation of credit by the big banks backed by the monetary policy of the central bank. Characteristically, the economic literature is beginning to address these problems, even if not yet from this particular perspective.

In such a hierarchically organised capitalist economy working conditions also are changed. Their character becomes more constant, unemployment becomes less of a threat, and its consequences are mitigated. The division of labour and specialisation continue and are intensified via increased mechanisation carried out according to the principles of 'scientific factory management'. The army of workers is organised into various ranked layers of employees with the character of government officials. Social reform, above all as insurance against old age, injury, and unemployment, but also as a means to make the mechanised and extraordinarily intense labour process more bearable for well-paid workers by reducing labour time, would prove to have a conservative effect and support the working class's adaptation to this economic system.

But it is precisely the antagonistic, contradictory basis of this form of economic organisation that precipitates struggle. The more developed the organisation and the more conscious the regulation of the economy becomes, the more unbearable the capitalist owners' usurpation of economic power and the products of labour becomes for the mass of the producers. The consciously regulated character of the economy comes into open contradiction with the 'accidental', antagonistic property relations inherited from the earlier period of disorganised capitalism. It will be swept aside by the transformation of the hierarchically organised economy into a democratically organised one. The conscious social regulation of the economy by the few and in the interests of their power is transformed into regulation by the mass of producers. Thus capitalism raises the question of economic democracy precisely at the moment when it has achieved its highest level of organisation. If Engels described his and Marx's life's work as the progress of socialism from utopian to scientific, then today we are talking about applying social science to social organisation. It would be the transition from scientific to constructive socialism. It is clear that the creation of economic democracy is enormously complicated and that it can only be grappled with as part of an ongoing historical process in which the organisation of the economy, advancing via the concentration of capital, is increasingly subordinated to democratic control. If the transfer of political

power from one class to another can occur in a relatively short, revolutionary act, then the transformation of the economy occurs only in a long-term, organic, and thus evolutionary, way.

It is during this development that the productive class first acquires the ability and the consciousness of its responsibility that enables it to take on an increasing role in the direction of production. This psychological transformation is the necessary prerequisite for economic democracy. Besides training, which emerges from struggle, it simultaneously requires conscious educational work. Pedagogical issues seem to take on fundamental importance in transforming the society.

In politics democracy means neither domination nor equal rights for everyone in the sense that all the same functions could be simultaneously transferred to all people or that all people would have the ability to carry them out. Democracy is only a principle of selection. It alone is suitable for a modern society in which all have the same point of departure. Political equality amidst social inequality represents the great inherent contradiction of modern social organisation. Social differentiation springs, however, not only from differences in property ownership but also from differences in education, knowledge, and the opportunity to be educated. Economic democracy would transcend the different functions within the production process just as little as would individuals' different levels of natural talent. But it postulates the same starting point for all to gain access to all functions, even at the highest level, in accordance with one's natural abilities. This shows the great importance that education – understood in its broadest sense – must assume for the implementation of economic democracy. It is no accident that all the great socialists had an abiding interest in pedagogy. The phrase once coined by the intellectuals of the Fabian society that 'we must educate our rulers' (*wir müssen unsere Herrscher erziehen*) must be made reality, minus its somewhat authoritarian connotation. We must educate ourselves to become the rulers of society's production process. The conquest of education, of knowledge, and of the culture over which society disposes is the necessary corollary to political democracy and it is a condition and guarantee of its success. At a time in which, compelled by history, the struggle for material interests, i.e., the fight for a share of the total production, assumes such great importance, it is necessary to show those who possess little of our culture, and especially those who wish to assert that education is a privilege, that the fight for the equality of educational opportunity is essential. And it is just as important to prove that the type and extent of education depends upon social development and class struggle as opposed to those conflicts of interests that all too often fill our political space. We need this fight to advance the ideals we all desire.

With that we simultaneously fulfil an immediate practical task. It is indicative that all the scientific and technical attention that was devoted to the improvement of the labour process went primarily toward the development of the implement, of the machine, of the apparatus. Only in recent years has the labour of the worker himself been studied, his motions and their adaptation to certain tasks analysed, and his psychological and physical aptitudes researched. Here, too, the transition from the traditionalism that had long held sway in this sphere to [the use of] rational methods is occurring. The result is the further division of labour, its increased intensity, and also its growing narrowness and desolation. All of this threatens to go forward in a one-sided way in the interest of increasing productive power without consideration for living human beings. The counteraction cannot consist of a romantic reaction favouring the dissolution of the factory, limits on productivity, and restrictions on mechanisation. On the contrary it can only have the effect of drawing the worker into participation in cultural life. This, too, presumes a wholly different option for education and also a reduction of labour time, which increased productivity makes possible just as, reciprocally, the shortening of labour time, higher wages, and an elevated cultural level represent the conditions for increased productivity.

If organised capitalism raises the issue of economic democracy in all of its complicated significance, then at the same time it creates a different mental outlook in the working class. With its progression and consolidation it differentiates functions but also unifies the interests of all those unskilled, semi-skilled, and skilled workers and employees of all types and at all levels against those who dominate the production process. Just as in politics royal and aristocratic privilege based on birth gave way to political equality, the mass of the producers, who have taken on increasing leadership in a production process in which function is no longer so tightly tied to property, fights the inherited privilege of property in so far as it means control over production and the appropriation of societal power.

In this way a change in the social psychology of the producers occurs. Even in its developed form, socialism was originally brought forward as a postulate for the immediate improvement of the material and intellectual lives of the struggling masses. It was not an arbitrary goal placed before the labour movement. It paralleled the recognition that socialism must be the goal of the workers' movement at the highest stage of capitalist development. To use an expression of Max Weber, the anticipation of this recognition is the prerequisite for the historical success of every social prophecy. But it was a postulate to the working class, not a demand of the workers themselves. As the young Marx expressed it, 'Philosophy, too, becomes a force when it seizes the masses'. He made it real.

But in this realisation, philosophy, socialism, experienced a fundamental transformation. Socialism gave the underdeveloped and barely organised labour movement a direction and a goal. The social ideal shook up the oppressed and the poor. It inspired the masses in their daily struggles for higher wages, for a reduction of labour time, for the right to unionise, and for political rights. It taught the workers not to think of themselves simply as representatives of interests, but rather as fighters for a society without classes and rulers based on solidarity and freedom. But the broader the labour movement became, the more the masses themselves shaped their social and political struggles to meet their immediate needs; then, instead of striving to overthrow capitalism, the pressing needs of the day, trade union representation, social reform, and adapting themselves to capitalism, became all the more important in determining workers' intellectual views.

'Philosophy' thence became ideology. The historical idea is the consciousness of historically relevant action. In other words actions are determined by the effort to realise the idea. The idea becomes ideology as soon as actions are determined by other goals, which may indirectly lie in the path of the idea's realisation whether it is real or whether, in the end, it is a fantasy of those doing the action. This is how Marxism also became an ideology, as the facts demonstrated following the collapse after the war. The working class did not use its position of power for the realisation of socialism, but rather for the improvement in its condition, for the extension of social reform, and for political democracy.

With the problem of economic democracy, organised capitalism places the producers intellectually in a different situation. Capitalist economic organisation now faces organisations of producers. The possibility of their members rising through the bureaucratically organised economy becomes the content of their politics, at the same time that they strive to influence and democratically transform the economic organisations themselves. The content of the politics of workers' organisations becomes democracy in the factory, the strengthening of the position of the factory councils, control over production in every sense of the word until economic democracy is finally achieved. The trade unions cease to only be organs of social policy and become bearers of a policy of democratic production. Socialism thereby ceases to be simultaneously a science and a political and social ideology – an abstract vision for workers struggling to adapt to capitalism via improvements in their daily lives. It becomes the immediate content of its struggle for influence on the regulated and organised economy. For blue-collar and white-collar unions, that means that the qualification of members becomes a major issue. If the tendency continues toward the development of mass organisations and of indus-

trial associations, then the struggle for economic democracy leads to a new differentiation within the masses, to an increase in the value of the personality within the organisation, and thereby to a new spirit of competition for social status.

If the significance of organisation was already growing before the war, the war and its aftermath have extraordinarily accelerated and increased this development. The cartels and trusts are power centres which wield authority that is often more important to subalterns than the powers of the state. They fill formal rights with material content, break down equality before the law, create new dependent relationships, and, finally, spread their economic power to encroach upon that of the state in order to place its institutions in the service of their goals. The elites of the economic hierarchy confront political organisations established on a democratic basis. They seek to decisively influence the foreign, economic, and social policies of the states, the formation of their governments, institutions, and political parties, i.e., to transform their economic power directly into political power. In this way are the relations of states intertwined with the great monopolies. How is a state cartel policy possible? How can the problem of economic democracy be handled by the state? If private property rights were hitherto essentially a formal rule on the basis of legal equality, then the monopolies have created new dependent relationships via the material content of their regulations and their systems of coercion, against which earlier law is impotent. What political and economic means, what juridical rearrangements of trade law, of corporate law, and of cartel legislation are required to protect the state's real, as opposed to merely formal, rights against the monopolies? What appear to be single-issue questions are subordinated to the fundamental choice between a hierarchal and a democratic organisation of the economy.

On the other hand, during and after the war worker organisations enormously increased their membership and their social importance just as social layers of employees, technicians, as well as private and public officials were fully organised for the first time. The war, in which the provision of goods became more decisive the longer it lasted, could not be carried on without the unions. The government negotiated everywhere with [labour] organisations over working conditions and over their cooperation with regard to the retooling or the rationalisation of industry. In England, especially, the war economy could only be organised with the agreement of the unions to dispense with the old rules on the use of unskilled workers and women. The power and authority of the unions rose, as did the self-awareness of the workers, who became acquainted with their power. After the war the workers woke up to the desire to use the state's power over the economy, which appeared so unlimited in wartime, for

themselves. Thus, psychologically, the moment had been reached to transform economic power immediately into political power.

The social significance of organisations, which develop themselves as opposing poles of the developed capitalist society, is increased yet more by the property revolution, which the devaluation of the currency in many countries signifies. It was the greatest process of expropriation in the expropriation-rich history of capitalism. It has to various degrees weakened or in part annihilated the urban middle classes, reducing or eliminating the economy's pension obligations. In this way a politically and socially conservative, culturally important element of the earlier social structure was in large measure eliminated.

In agriculture development has unfolded completely differently than in industry. As great as the role of violence in the establishment and development of capitalism is, the immanent economic laws of capitalist production and distribution are decisive for the distribution of industrial property, for the development of the large enterprise, and for the ever greater concentration of economic and productive power. It is very different in agriculture. The most ancient forms of settlement and land possession can still be observed today in the division of land ownership, and decisive changes can be traced to violent military conquest and revolutionary transformations and to a lesser degree to reforms carried out by the state. Pure economic factors impact the technical and commercial transformation of the enterprises, but only slowly and secondarily do they alter the nature of property or the size of the operation. For America, for Western Europe, and for Central Europe, the war and the postwar period meant the economic consolidation of the established agrarian structure. The war and the early postwar years are a moment of prosperity for agriculture; the devaluation of the currency means a reduction or elimination of its debt burden. The agrarian crisis that emerged as early as 1920 in the United States and in England has its specific cause in the rapid expansion of agricultural production, unlike the crisis of the 1880s, which was rooted in rising costs of production and transport. It is made more intense and spreads via the imbalance between the prices of industrial and agricultural goods, an imbalance which is only an expression of the temporarily disturbed balance of global production and distribution in general.

However, the agrarian revolution in Eastern and Southeastern Europe is the secular event that has precipitated the annihilation or substantial weakening of the large landed estate in a fashion similar to that ushered in by the French revolution in its territory. A broad mass of small and middle-sized peasants has emerged in the rural areas of the East, while in the rest of the world this strata has emerged from the war invigorated. That marks a countertendency to urban industrial development, because these masses are socially conservative

and inclined to support similar tendencies in struggles within the industrial population. At the same time the rural masses are increasingly captured by agricultural organisations; they are torn out of their onetime isolation by the market; their material and cultural needs are increased; and they become more open to urban influences and ways of thinking. For the further development of the struggle over economic policy, the relationship to the mass of rural producers is becoming increasingly important. The agrarian problem has been opened up in its full scope.

The productive forces grew enormously during and after the war. Expansion was not even. Those economic branches necessary for war-fighting increased most, such as raw material extraction across the board, metal production and finishing, the chemical industry, and shipping, while non-military related industries lagged behind. This disproportionality is one of the causes of the world crisis. But, after the crisis has been overcome, the expansion of productive capacity ultimately means the growth of production and a new boom. The agrarian revolution ultimately means the expansion of the market for industrial products. Thus, as a result of the war, the capitalist economy has materially expanded and qualitatively changed on the road to an organised economy.

Politically, the war ended with the expansion and consolidation of the democratic form of the state in the key countries. As in the economy, the war increased the intensity of developmental tendencies already present in politics. With the decisive place that the propertyless masses have occupied in the production process since the industrial revolution of the nineteenth century, with their organisation and cultural elevation, which was the workers' movement's signal achievement of the last third of the last century, the victory of democracy becomes necessary. The war, which threw the workers against one another in the trenches, simultaneously improved the position of the workers, both concretely and intellectually, within the state. If the state achieved its greatest strength as an institution of power during the war, it was also dependent to a wholly different degree than in previous wars on production, the transformation and harnessing of which decisively determined its war fighting success. The state becomes forced to negotiate with the producers regardless of the attitude it had previously maintained in respect to workers' organisations. Because force is scarcely effective for the achievement of the goal, the state needs the voluntary cooperation of the producers' organisations. That means that the trade unions, which because of earlier political and social development were distant from the state, must now be won over to the state's goals to prevent disturbances in production and to ensure workers fully devote their energies [to the task].

This is a process of extraordinary social-psychological significance and impact. The producer organisations feel themselves to be real supporters of the state, their bureaucracies [regard themselves] as particularly indispensable organs, with rights equal to those of the state bureaucracy, but even more important than the latter, which cannot manage production problems without their help. During the war once-distant workers moved into the state's orbit, filled with an extraordinary strengthening of their sense of power and of their political significance. At the same time, the relationship between economic organisation and the political parties shifted. The same circumstances that elevated the producer organisations during the war put pressure on the political parties due to the unavoidable increase in the state's power and the drive toward unity in politics – the civil peace or *union sacrée*. The producer organisations, next to which only the military leadership appeared to exercise real and significant functions, increasingly began to see themselves as the makers of policy in contrast to the apparently superfluous political parties. The war economy itself, implemented by the state via state compulsion, but also organised through them [the producer organisations] in accordance with agreements reached with them, had to fortify this outlook. In this way emerged the idea that the producers' organisations were called to politics. In the working group business and worker organisations were to cooperate together to determine the principles of social and economic policy to be implemented by the government and parliament. Class tinged this ideology in the same way as the various recommendations for corporate parliaments. Both the ideology of workers' councils or the thinking of the guild socialists rekindled old syndicalist conceptions. Thus the often-changing function of ideology again comes to light. In Russia the councils systems originally formed spontaneously to replace completely non-existent workers' organisations only to end up as pure instruments of the political domination of an oligarchically organised party. In Germany, where wartime politics shattered the authority of the divided workers' parties and trade unions, one hoped to use them [councils] to establish new, unified organisations that would dominate the state and the economy, while in England Guild Socialism reoriented thinking about the councils toward a new form of economic democracy with state socialist tendencies.

These are currents of thinking which throw open the problems of the state and the economy and of the political party and interest group organisations. At the same time, they cast doubt on the earlier forms of state sovereignty and encourage the co-sovereignty of the economic associations.

At the end of the war the relationship of politics and the economy changed. The decision about the moment of the war's end and the way it occurred, about the armistice and the peace treaty, restored the importance of the civil

administration and the parties. No particular class had the power to assert its sole domination over the long run or to restore the pre-war constellation of power among the classes. During the collapse of the defeated states, the masses' increased consciousness of their power helped in the breakthrough to democracy, the state's single possible form of existence, and strengthened it in the most important of the victorious states.

In Germany socialist politics had developed in a half-absolutist, undemocratic state. The practice of the largest democratic party had emerged at the same time in a political space in which the air was thin. The masses faced a rigid, unbending system, in which it was difficult to influence parliament on all decisive matters. Not reform, which appeared to be practically impossible, but the sweeping away of this form of state, which simultaneously appeared to mean [sweeping away] the state in itself, naturally became the final political goal. And this identification of the state form and the state became more pronounced because the dominant theory of the state absolutised the state independent of its form, it mystified it into a type of metaphysical being which remained fundamentally untouched by any changes in politics. In contrast to historically changing social forms, the state was something eternal, in essence unchangeable. And to the German labour movement this state appeared to be a limitation and a hindrance to all of its strategies. The critique of the form of the state, then, had to lead to the negation of the state itself.

There was, moreover, another consideration. The state is an institution of domination. The class that dominates the state determines goals for which state power is used. The goal of socialism, however, is not political but rather the social aspect of a differently organised economy. To that end politics is only the means. After the achievement of the social goal, the state itself will be curtailed as a political means not only in terms of its form, but it will somehow become generally superfluous.

Under the influence of Marx, the practice of the labour movement sought to constitute the working class as a political party; it fought the liberal doctrine of the state everywhere and demanded increased state intervention in the economy. Its work consisted of political activation and education to increase the participation of the masses in the shaping of state policy. Theory did not seem to be in contradiction with practice, because the 'withering away' of the state should occur only after the completion of social transformation.

Only after the war did the German and a large part of the European labour movements experience the great event: democracy. Its effect must have been all the greater as a consequence of the suddenness of this change. The working class views the republic as its work; it is the bearer of this form of state, which would be impossible without its passionate support and protection. The rigid

political system of earlier days has become flexible and open to its influence. Along with its increased consciousness of its power, the working class now has the possibility of exercising power. It is not the democratic state that appears as a hindrance [to its power] but social influences and the ideas that are dependent on them. The attitude toward the state, therefore, is a different one. The need for a fully developed theory of the state emerges.

It is intensified by social changes. The state no longer appears as practically the only conscious social organisation of isolated, atomised citizens. On the contrary, the latter are now drawn together in economic and interest group organisations and are no longer immediately subject to the state but to the organisation. The legal form of the state exists in a tense relation to the real power of organisation. The centralised power of the state appears to be reduced and threatened by concentrations of accumulated economic power. The problem of democracy is raised anew. Fictions of natural law, which live on, have become completely inadequate. An exhaustive theory of the functions of the state is necessary that analyses the context and relations between all politically decisive factors and, by laying bare what is essential in politics, lays bare the essence of the state.

A third factor in the new formation of economic and political relations is the change in the relations of states to one another. The imperialist war ended with a decision in favour of the Anglo-Saxon world; the centre of European politics has moved westward. At the same time, however, political supremacy means intellectual supremacy; Anglo-Saxon intellectual and political norms will have greater influence than ever before. The intellectual inheritance of England, however, is a different one from that of Germany or France. From that point of departure, new social-psychological effects will result.

The same capitalism created by imperialism in western and central Europe has created the classes and strata of capitalist society in Eastern Europe, Asia, and North Africa, nations that previously were without history and consisted almost purely of peasants. It has raised them up to fight for national liberation and their own national sovereignty and cast them into the military conflicts of the great imperialist states. New national states have emerged in war and revolution and the struggle for national liberation has been strengthened in the colonial lands, in Italy, and in Egypt. The scope and content of politics has undergone a new expansion; European and North American politics have become world politics.

Are we just talking here about a quantitative increase, a duplication of political problems that have long been established and their becoming much more complicated, or are we talking about a qualitative change in international rela-

tions? If one conceives of imperialist policy in its historical sense as the politics of capitalist expansion originating in a certain phase of capitalist [development] and its concomitant state policy, then the question arises of whether the war's end has brought this policy to a close or at least decisively altered it. Imperialism means the effort of great states to shift the monopolist organisational tendencies of their capitalisms onto the world market in a way favourable to the monopolistic rule of their own economy. The interplay between the strengthening of the economy and, upon the basis of that economic development, the growth of state power, which is then brought to bear against the other states to strengthen the economy, ultimately must lead to a military conflict or make the avoidance of war at this stage of power politics a matter of improbable luck. But war consistently presumes a certain balance of forces that allows each participating group to think victory is possible. The enormous shift of power after the war works against the violent revision of the war's outcome, just like the economic inequality of states and the tremendous damage that comes with war. The interest of the Anglo-Saxon Empires, especially the English one, lies much more in the affirmation and organisation of what has been achieved rather than in new territorial expansion, because war and the revolutionary shocks that follow fuels the national upheavals of the colonial peoples and their separation from the motherland. The interest of the democratic masses, which now have expanded influence within the state, is in keeping with these interests and constellations of power. Does that mean the reorientation of capitalist expansion in the direction of mutual security and exploitation of the world market instead of the violent conquest of the latter's individual parts? Does that lead to a weakening in its warlike tendencies and is a politics now possible that one could call 'realistic pacifism'? Does capitalism really mean war? Can peace only be secured with its abolition or can a resolute policy that reduces the sovereignty of individual states in favour of an international organisation create new forms of political world order? Isn't there now much more space for evolutionary development than has previously been supposed? Internationalism, not merely as a notion and still less as the negation of the national, but rather as a practical political task, then becomes the issue.

We have attempted to explore new complexes of social experience and to illustrate individual problems that come to light. We are very well aware of the incompleteness of our effort. We only wanted to strike individual chords in the hope that the content of the magazine will be filled out in the constant striving to systematically comprehend the problems amidst the incredible richness of our social life, to investigate their solution, and thereby participate in

the creation of a new social vision. Indeed, our work presumes the reinvigoration of the humanities. For too long, and not only in Germany, they have been frozen in historicism and newly awakened methodological interest has not been followed to the same degree by the enrichment of their content. But now there are so many new experiences, new problems, and new possibilities for solving them that the moment no longer belongs to historicism but to the thoroughgoing scientific analysis of the present. Science, says Ernst Mach, 'is always created through the process of adapting thought to a specific area of experience. Elements of thought are the result of processes that are able to illustrate the entire field. The result naturally varies. If the range of experience expands or if previously separate spheres are now brought together, then the basic concepts inherited from the past no longer suffice for the wider field. In the struggle between acquired habits and the effort to adapt new problems arise which, with the completed adaptation, then disappear in order to make room for others that emerge'. Elsewhere, Mach's *Analysis of Sensations* asserts that 'The sciences can differentiate themselves both through the subject matter as well as through the way they treat the subject matter. But all science presupposes representing facts in concepts either for practical goals or for the elimination of intellectual disquiet'. Perhaps never has our sphere of social experience expanded as rapidly [as today], and therefore our fundamental concepts no longer are sufficient. 'Intellectual disquiet' has become the signature of our time.

But we are dealing here not just with intellectual unease in Mach's sense, with the intellectual outlook of the practitioners of science, who strive to solve new problems and to whom [science] represents the vehicle of progress. For broad circles – especially for the youth – the condition of the humanities intensifies the intellectual disquiet into an intellectual crisis, into a rebellion against the intellect and against science. One seeks a solution on the path to a new religiosity or a romanticism stressing emotion and which consciously turns its back to reality. The crisis is intensified still more by a philosophical current, which promises solutions through intuitive knowledge where science has failed.

The psychological explanation for this intellectual outlook might be easy to find in the effects of the war. Ultimately, the most significant political and social ideas and ideals belong to the victims of the war. In order to keep the masses engaged in the war effort, all the ideas that fulfilled their yearnings had to be placed in the service of the war – the successful work of propaganda. In the East, in the nations without history, the actual results of the war tallied with the stirring ideas of national liberation and democratic self-determination shared by most people. To them, violence seemed to stand in the service of

the idea. It was totally different in the West, where the war was fought to a decision among the imperialist powers and the peace settlement violated all principles especially from the perspective of the defeated. Here ideas were subject to violence and ruthlessly betrayed and abandoned as soon as violence had achieved its material goal. Here is the source of the despair about ideas and about the entirety of intellectual development and the intellectual edifice of the nineteenth century.

But whether or not the psychological explanation is satisfactory, this does not change the fact of an intellectual crisis in which science itself, its limits and its significance, has become problematic for broad circles. The problem of epistemology is raised again. Philosophy steps up with new claims and seeks to revise the process which it appeared to have lost in the second half of the nineteenth century.

Do we have to begin by saying that, at such a moment, our journal cannot and does not want to put forward the claim that, from the tremendous new complex of experiences, it has a completed system of knowledge to deliver? A unified conception and the superiority of certain research methods can only emerge from struggle for social knowledge, for which the magazine should be a free city. [This occurs] to the extent that such unity in social science, whose theoretical insights intersect with the practical positions of the struggling social classes, is possible.

As devastating and crushing as the period was, it also released new, powerful forces. Changed, we observe a changed world. The words of the young Marx were meant for us, too: The point is not only to observe the world; it is, rather, to change it. We are in a moment in which real changes have moved ahead more quickly than scientific knowledge. Therefore: observe and change!

Rudolf Hilferding, 'Probleme der Zeit' 1924, *Die Gesellschaft*, 1 (1): 1–17.



Realistic Pacifism (1924)

The outcome of the war and the internal developments of states have changed the economic and political forces that drive foreign policy and thereby altered the subjective and objective conditions for the achievement of peace.

First let's discuss the objective change in foreign relations, the power relations between states. Our point of departure must be states, as bearers of political will. In contrast, it would be a mistake if one started with an arbitrary

concept, such as 'Europe', which was never a political entity and therefore was never politically effective. Europe is not a political category, but rather a geographical term, a banality, [a fact] which has to be stressed in the face of elegies, springing up like weeds, about the 'European crisis' and the 'decline of the West'. American development is only geographically not European. Europeans have carried it out in the European way. The more the colonial character of this development diminishes, the closer we become both politically and culturally. It is correct that the reality of the world market and of the world economy has expanded beyond the borders of Europe. In the decades just before the war, the development of the world market and of the world economy had become qualitatively different. From the European perspective [this change] had to do with the transition from commodity to capital exports, with the development of non-European areas for the sale of goods into areas for capital investments and, therefore, with the spread of the capitalist mode of production into these regions. The war did not create these tendencies, but it intensified them and accelerated their political impacts.¹

The war – and this is its world historical importance – had three main results: the creation and consolidation of the hegemony of the Anglo-Saxon world, England and the United States, as the most advanced capitalist powers; the achievement of political democracy; and, finally, the strengthening of national consciousness with the formation of new national states, of national movements for the emancipation of previously subjugated nations, as well as the strengthening of the national consciousness of the masses within the already established nation states.

Here, too, the effects were already contained with the causes: imperialist antagonisms, once rising to the level of violence, had to lead to a final decision concerning world domination; the capitalist penetration of the world, driven by Western and Central European capitalism, had to create the beginnings of the modern social structure among the peoples of Eastern Europe, Asia, and North Africa, while at the same time awakening the drive for national emancipation, incorporating its struggles for liberation into the great imperial struggle for the world, and finally bringing about the founding of new states. Ultimately, as a consequence of the development of its own technique and of the demands it makes on production, the war had to lead to an all-encompassing people's war, strengthening the masses' sense of power and thereby precipitating the achievement of political democracy.

1 In regard to the discussion to follow see also Rudolf Hilferding, 'Die Weltpolitik, das Reparationsproblem, und die Konferenz von Genua', *Schmollers Jahrbücher*, XLVI, ¾.

The United States emerged from the war enormously strengthened economically. For three years it was the largest supplier of military goods in the world. Stimulated by the high prices of industrial and agricultural products, the means of production were greatly expanded and a huge merchant marine was built. The trade surplus and balance of payments grew enormously. The world's largest debtor nation became the world's leading creditor nation. In six years, from 30 June 1914 until the 30 June 1920, the export surplus amounted to 18,439, 544,000 dollars. In 1921 it amounted to 375 million dollars, in 1922 it sank to 140 but then rose again in 1923 to 338 million dollars. As a result of the activity in the balance of trade and payments, the gold supply of the United States grew from 1,872 million dollars in 1914 to 3,223 million dollars in June of 1921. The United States holds over half of the world gold supply.

Next to the United States, the British Empire is [also] the victor in the war. The threat to British power represented by German naval armament is gone. During and after the war the unity of the world empire grew stronger. This was immediately true of England's relationship with its English-speaking dominions, but England's Indian and Egyptian difficulties, which were the result of the pressure of national movements, also don't have to represent insoluble problems for British statecraft, and perhaps, thanks to historical irony, the methods of the British labour movement will prove themselves more effective for the maintenance of the world empire than those of the imperialists. The land route to India and the Cape to Cairo connection are secure; strategic highways and trade routes are safe from threats, and new means of communication to all parts of the Empire are possible; the airplane, wireless telegraph, and radio draw the periphery closer to the centre and increase extraordinarily the possibilities for effective centralised rule.

In contrast to the two Anglo-Saxon powers, France emerged from the war as the strongest military power on the continent. In the case of war, the development of submarines and of air power makes it a dangerous opponent of England, whose island location has lost much of its earlier significance through the development of modern military technique.

The war appears to have put new and greater possibilities for conflict in place of the old ones. In place of the English-German, the English-American; in place of the German-French, the French-English, and the future unfolding of Russian policy remains uncertain. Partially unresolved (or even more dangerous as a result of new complications) are the nationality problems of Eastern Europe and Asia. In the face of such tensions, isn't any policy of peace relegated to the realm of utopia and fantasy? And if the victors themselves are dissatisfied with the current situation and see in it only new discord, then shouldn't the losers retain the hope of attempting a new armed revision [of the post-war settle-

ment]? And isn't war the essence of capitalism? Isn't it capital's expansionist drive that leads to violent explosions among the great powers in the struggle to dominate the world market? Can there be a different politics of peace within capitalist society than the struggle for socialism?

The capitalist economy knows of two means to achieve its goal, the production of profit on the path to the steadily increased concentration of capital: the defeat of weaker opponents in the struggle or the merging of the strong into a community of interests. The more developed the scale of capitalist production, the more advanced the level of technique, the greater the proportion of fixed capital, the more concentrated the banking system and the closer its ties to industry, then all the more destructive is the competition, all the greater are the losses for the participants, all the more uncertain is the outcome, and all the more will competition give way to agreement. The goal, to increase the rate of profit, is the same, but the methods are different; the second is more economical and much more effective.

The analogy works for international politics. Its content is determined in the final instance by the economic interests of the classes that control state policy and the capitalist drive to expand plays a significant role. But this general and generalising claim requires much more concrete investigations of respective relations in order to draw certain political conclusions. This is because the ways and means of expansion are different.

First of all, the drive to expand depends on the domestic relationship of agricultural and industrial production. Today's agricultural economy, especially peasant agriculture, is not characterised by a violent effort to expand and it is often hostile but mostly indifferent to the strengthening of state power, the bureaucracy, and the military. The behaviours of the Danish and French peasantry serve as examples. This [situation] changes, [however,] when the class of large landholders succeeds in taking over the organisational and intellectual leadership of the agrarian masses. Wherever the upper bureaucracy and officer corps is mainly recruited from this group, it is interested in expanding state power and it uses its influence to overcome any opposing sentiments among the rural population. The drive for expansion and the method of its realisation differ, however, according to the various roles played by industrial, merchant, and bank capital within the economy of each nation state.² And these various

2 What is valid for the present was also true in the past. 'In modern English history, the commercial estate proper and the merchant towns are also politically reactionary and in league with the landed and moneyed interest against industrial capital. Compare, for instance, the political role of Liverpool with that of Manchester and Birmingham. The complete rule of

economic tendencies must first assert themselves politically, because only after economic power is converted into state power does economic power become effective. The possibilities for carrying out this transformation are themselves many sided. As similar as the capitalist economies [of different states] appear in abstract form, the concrete form of the economies of the various states varies all the more. This is especially true of their political character, which is dependent upon the type and the period in which capitalism, either autochthonously or via foreign capital, develops within the state's borders, how it took over the pre-existing state, modified it, or completely transformed it. Due in large measure to the factor of violence, the historical conflict between the former state and capitalist economic power unfolds in ways that are indeterminable. Consider the contrasts between English and French development. In England, the subjugation of the state under the domination of industrial capital was completed in classic form, while in France the wars of the French Revolution, Napoleon's victories, and the creation of a rigidly centralised, bureaucratic, and militarised state apparatus asserted itself even within the republic. Every organisation, but especially an organisational power like that of the state, contains within itself the drive for self-assertion and to increase its power, a drive that, under certain conditions, unfolds according to its own laws. It is understandable, then, how significant the type of state power becomes in the sphere of foreign policy, especially in the face of the same economic tendencies which impact that policy's content. The relationship of economic and political power is thus, in part, historically determined, but the differing mode of reciprocal dependence determines, respectively, the concrete form of the state's politics.

And there is another point. War is a struggle for power and occupies, therefore, as a general prerequisite of its breaking out, a certain place in the relations between states. The expansionist drive of the modern economy contains within itself antagonistic interests and possibilities of conflict. Whether these are expressed through war remains to be seen. One condition of [war] is that economic antagonisms translate into the power politics of a state, which directly threatens the power of other states. The power relations have to be situated in such a way that each state among the opposing states or groups of states can count on victory. All too large differences in power force the weak states to capitulate and eliminate [the option] of war.

industrial capital was not acknowledged by English merchant's capital and moneyed interest until after the abolition of the corn tax, etc'. Karl Marx, *Capital, Volume III* (Moscow: Progress Publishers, 1966), 327, note 46.

Can new tendencies be ascertained in state policies since the war's end that work against renewed military conflict? Are these tendencies enough to make possible the victory of an enduring policy of peace?

How, first of all, is England's policy determined?

As mentioned earlier, the type and strength of the reciprocal relations among merchant, industrial, and bank capital are most important to the economic policy of the capitalist states. In England, first of all, there are no peasant masses and the independent commercial middle class and small investors have little importance. Industrial capital, therefore, has more unlimited [power] than elsewhere and has long occupied the dominant position in economic decision making. But its unique position only can be fully explained by the character of the relationship between industrial and bank capital that has emerged in the English economy.

Capitalist industry in England developed indigenously from small and mid-sized private firms into large-scale firms with the organisational form of the joint-stock company. They don't require banks as much as financial institutions that concentrate capital and then place it at the disposal of industries that they co-found and in part control. That is what differentiates the relationship between bank and industrial capital in England from that of other countries where, as in Germany, capitalist industry developed later but at a higher technical level and with a much larger amount of capital investment for individual enterprises, which consequently required much more support from the banks. English deposit banks, therefore, serve mainly to provide industrial circulation credit. They put working capital at the disposal of industry in money form, which flows back to them in money form. This is different than the German and, to some extent, the American system, which provides industry with investment capital.

At the same time, as a result of its long-standing monopoly position in world trade and shipping, English bank capital became the financial centre of world trade commerce and transport. The position of the London stock market as a world market for international movement of currency is closely connected with the organisation of the banks and forms an integrating element of this money and credit organisation. Industrial, trade, shipping, bank, and stock market interests coincide more directly and more perfectly in England than elsewhere. And these are, above all, world economic [interests], for open access to all retail markets plays the decisive role for all of England's most important industries. Post-war development, which tends toward monopolistic concentration, has not changed anything in that regard. This is because this concentration had occurred when free trade was dominant and free competition on the money market had forced the rationalisation of production and

its technical transformation. The absence of protective tariffs had not allowed that element to arise that seeks to conquer parts of the world market and to monopolise them by excluding the competition of other states. Just as industrial export interests favour the reestablishment of markets [for the sale of their goods], the merchant and shipping [interests], the banks and the stock market view the reestablishment and expansion of world trade as a life and death matter. Hence, English political efforts to re-establish international trade, money, and credit. In contrast to this fundamental need of the whole of English capital, capturing interest from German reparations obligations, Russian debt, and even from the demands of the allied states assumes secondary importance.

These economic tendencies, which, due to the weakness of the rural population and of the urban pensioners, are politically more realisable in England than elsewhere, are strengthened through England's power-political interests. The war strengthened the masses' political consciousness everywhere and, among previously subject peoples, it awakened the drive for national liberation and self-determination. The awakening of the peoples of Asia and North Africa has created the greatest difficulties for England in India and Egypt. Its diplomatic corps might hope to master these incredible difficulties by granting autonomy and self-administration [to the colonies] in order to keep them attached to the motherland in a different form. But this diplomacy must fail when it faces upheavals whose elementary revolutionary violence drives previously passive peoples to rebellion. For England, Japan's victory over Russia, the Russian, Turkish, and Persian Revolution[s], and the Bolshevik attempts to incite insurgencies in the Asian world are heavy blows to its position in India and Egypt. England needs peace and tranquillity to solve the internal problems of its empire following the achievement of its political goals in the last war. That's why England's world policy was already becoming more conservative and evolutionary even before the war. The Conservatives paid for the Boer War with their loss of power. English foreign policy today consciously aims to do everything possible to avoid internal and external convulsions.

What have been the impacts of these tendencies since the war? How has [England's] relationship to other power centres changed, above all with its most important economic competitor, the United States? The United States entered the war on England's side not least because of the mighty ideological influence of the country with the same language. It was decisive in England's victory in the war and in the council at Versailles. That fact alone shows how wrong the claim would be that capitalist competition must drive capitalist states toward antagonistic relations. Since that time England has done

everything it can to promote the long-term alliance even without a treaty and to isolate and keep at bay antagonisms and potential conflicts in the economic sphere.

The first stage in the achievement of this goal was reached at the Washington Conference of December 1921, one of the most significant meetings in world politics. The United States and England reduced their navies to equal strength, equalised their chances to exercise decisive power, and thereby ruled out [such an action]. Under their joint pressure Japan, the strongest naval power in the Far East, was also forced to join. Its impetuous drive to expand is borne by a youthful capitalism undergoing rapid development in a relatively overpopulated country heavily inclined toward immigration and with a state dominated by militaristic and feudal traditions. Japan's fleet was reduced to half the size of the English or American fleets and its efforts to expand in China were subjected to certain limits. In any case, the inclusion of Japan in the Anglo-Saxon community of interests reduces the acute antagonism which, arising from [Japan's] efforts to dominate the Pacific Ocean and China, had already become substantial. France, too, the continent's strongest power, England's rival in Europe and the Near East, was induced to join. The competition is overcome through the community of interests; the powers reciprocally guarantee their possessions in the Far East, obligate themselves to resolve mutual differences through a joint conference, and to defend one another when threatened. In regard to China, a source of rivalry, no details were worked out, but it lies in the nature of such agreements that, once the chaos has been brought under control and political relations clarified, the enormous empire will attach itself to the unified capitalism of the great powers.

The drawing together of the Anglo-Saxon powers was a decisive step. The cooperation of the Anglo-Saxon world on questions concerning the Pacific and the Far East was ensured, peace and simultaneously peaceful expansion in this part of the world was achieved. At the same time, England had in large measure made up for the single great defeat in its history, the loss of its American colonies.

A second step toward closer cooperation with the United States occurred through the Mellon-Baldwin Agreement, in which England undertook to service its American debts while also securing American help in the reestablishment of its credit and in the financing of European reconstruction.

Certain tendencies in American policies are commensurate with English policies. The unique development of American capitalism is well known. The distribution of state lands, the appropriation of coal and of metal ores at practically no cost, the railroad concessions, the petroleum resources, and the speculation in land and stocks are the bases of its 'original accumulation'.

The speculative character [of this development] encourages the creation of enormous individual fortunes. Control over transport routes and sources of raw materials strengthens the monopolistic tendencies of a capitalist economy, which, as a result of a powerful and rapidly expanding domestic market, strives for production at the highest level. Commercial and bank capital, in contrast to the enormous development of industrial capital, lag behind at first. Only recently has the name of Morgan emerged next to those of Astor, Gould, Vanderbilt, Rockefeller, and Carnegie. Politics are completely controlled by industrial capital. The system of high protective tariffs supports the hothouse like development of industry and the formation of cartels and trusts, the latter of which are encouraged rather than hindered by laws ostensibly passed to combat them. The protective tariff, which is ineffective for farm products in this land of farm exports, increases the rate of profit in industry and monopolies at the expense of workers and farmers. Despite [this situation], opposition movements of urban workers and rural people fizzle out after flaring up briefly. A change can only be expected in the post-war development of a democratic mass movement.

The war and its effects are of decisive importance for American economic policy. The fall of European buying power means a decline in sales for American farmers and cotton planters as well as for the producers of copper, lead, and other metals. It makes it more difficult for the export sector in general, because European sales markets remain the most important ones. They cannot be replaced with non-European outlets principally because their buying power in large measure depends upon their ability to sell agricultural products and raw materials on European markets. And even if the total quantity of American industrial exports is relatively small in comparison to production for the domestic market, the mechanism of capitalist competition demands the accommodation of fractional shares. This is because the inability to sell them means immediate [downward] price pressure in the domestic market, a fall in production and eventual crisis – a condition which explains the strong interest of industrial capital in the development of exports.

Since the end of the war, the [export] interests of industrial capital have been more strongly bound up with those of bank capital. The position of American credit achieved during the war, the extraordinary activity of American trade, and more than ever before, its balance of payments, bring an uninterrupted flow of money capital into the country. This money strives to be utilised; a goal only partially and too slowly fulfilled in the domestic market, despite the latter's rapid expansion. Bank capital must then seek to return its holdings of mobile money capital and especially of gold to the Europeans in the form of credit. It must pursue exports in money form in order to be able to increase

its exports of commodities both in the form of capital as well as consumer goods. The interests of industry, the banks, and also of the farmers demand the reconstruction and, therefore, the financing, of non-American and especially of European markets. That requires, above all, peace and legal certainty. The latter requirement targets, above all, the Bolsheviks just as the former is pointed at the French. In addition, American capital in the post-war period has an equally strong interest in world trade and shipping and the financing of both.

The degree to which the United States succeeds in providing this financing will simultaneously determine the degree of its dominance over the world's money and credit market. Competition between American and English bank capital constitutes the most gripping chapter of the most recent economic history. England has made the greatest efforts to achieve dominance. To that end, model tax and financial policies were used both during and after the war. In no other country was such a high percentage of wartime expenditure covered through taxation. The rise of the debt was limited to seven million pounds sterling. The value of sterling was maintained at great cost. From January 1916 to March 1919 a stabilisation effort was pursued in New York. It succeeded in holding the pound at \$4.76 as opposed to parity at \$4.86 & 2/3. This was achieved through gold deliveries, the total amount of which is unknown but reached about 50 million pounds sterling in 1915, through the mortgaging and sale of securities amounting to 623 million pounds sterling, and through loans, mainly from the United States. At the end of the stabilisation effort the exchange rate dropped. It reached its lowest point on 4 February 1920, when the pound stood at \$3.21³/₄. In 1921, thanks to the draconian tax policy, the budget showed a surplus of 230 million pounds sterling, which allowed for the servicing of the debt. The exchange rate haltingly began to rise. It reached its high point of \$4.72¹/₂ on 21 February 1923, just a bit short of parity.

In the United States the disinclination to invest substantial money amidst Europe's uncertain political conditions remained strong. Extraordinary prosperity brought about strong demand for money capital on the domestic market where the interest rate in New York was relatively high at 4.5 percent. The American banks were not yet armed and ready to make an energetic attack on England's dominant position.

The situation changed over the course of 1923. Resistance to England's deflationary policy arose in the ranks of British industry led by the mighty Federation of British Industries. It found a certain echo in the ranks of the working class and in theoretical views espoused primarily by Keynes. The opinion of The City also vacillated. Baldwin's Conservative government succumbed to these currents. It declared that it did not wish to pursue a deflationary policy, to reduce domestic prices, and that it wanted to wait to see the further develop-

ment of American price levels. At the same time, economic events – such as high American interest rates, which gave impetus to investments in dollars – and political events – such as the German-French crisis, the English elections, and the victory of the Labour Party – had negative effects on the exchange rate of sterling. It began to fall in April 1923 and on 19 November reached the low point of the year at \$4.25³/₄. On 21 January 1924 the pound reached its nadir at \$4.20¹/₄. The fear of the incoming Labour government and the rising strike movement caused a quiet flight from the pound, but The City energetically opposed a movement that it viewed as disgraceful. The panic ebbed quickly; the rate rose and remained stuck for a long time at \$4.30 until the [positive] outlook for the Dawes Plan allowed it to rise to over \$4.50. By 18 February in the House of Commons MacDonald had committed himself to the principles of the Cunliffe Committee, which had recommended a return to a gold-backed currency and thereby a return to a policy of deflation. It will again be quite an irony of world history if the Socialist Snowden carries out the [failed] policy of the imperialist ‘leader of the economy’, Baldwin.

The change in American bank policy was of no less importance, but in the opposite sense. The flow of Gold was uninterrupted – a dead treasure that sought valorisation. Since mid-year industrial employment had fallen, money capital went unused, interest rates sank, and on 30 April the Federal Reserve banks reduced the discount rate [first] to 4.0 percent, then, on 11 June, to 3.5 percent, and finally, on 8 August, to 3.0 percent. That is one percent below the rate at the Bank of England. According to a report on 9 August by the New York correspondent of the *Economist*, we have here such a gigantic accumulation of unused money capital that the banks impatiently expect stronger demand for business purposes. The lowering of the interest rate has not led to increased mobilisation of rediscounted credit at the Federal Reserve banks. The bankers are beset by serious worries about whether they can realise satisfactory profits for their capital given continued low interest rates.

This development essentially has swept away the disinclination to finance Europe. The American banking world understood that it must bring gold and money to Europe and it realised that this is the only means of maintaining its share of control over the money market. When carried out, this effort will have all the more chance of success as long as the pound sterling is still undervalued and unconvertible, as long as England’s ability to guarantee credit is still hemmed in by concern about again weakening its exchange rate by overstraining its balance of payments. As the manager of over 3 billion dollars in gold (about three-quarters of all the gold available for money purposes in the United States), the leadership of the Federal Reserve bank considers it a good idea – as it noted in its tenth annual report – to put as much of this gold

at Europe's disposal as the latter needs to reconstitute its currencies without endangering the currency and the economic situation in the United States.

France's policy is opposed to these English and American tendencies. Again it is the peculiarity of the country's social structure that explains this policy. Numerous small peasants and small urban investors do not influence politics in the unified way that the English capitalists do. These groups are not fully aware of the connection of their interests with the politics of the state, in particular in the sphere of foreign affairs. This is the case because the peasant masses lack the energetic and goal-oriented leadership of a dominant group, such as that embodied by the Junker aristocracy in Germany. That in itself translates into a stronger and more independent state whose goals, due to the nature of the state as a power structure, emerge all the more vigorously. French industry, when viewed in comparison to its English, German, Belgian, and American counterparts, earlier was of medium size, was interested to a greater extent in the domestic rather than the world market, and was used to protection from a powerful state. Only the acquisition of Alsace Lorraine had created significant heavy industry.

The position of the French banking world is also completely different. It is less closely bound to industry than its English, German, and American counterparts and less oriented around the world market. Its position rests on the broad strata of independent investors, whose capital they concentrate and administer. On the one hand they provide for stockowners' investment needs, while on the other they place the gigantic savings of the French economy at the disposal of large-scale foreign businesses. French high finance has financed Tsarism's power apparatus, Russia's economy, and its railroads. Its domains were in large-scale loans and the founding of colonial businesses. Thus, it was consistently interested in colonial expansion, in the strengthening of state power, which guaranteed the security of their investments and made certain, when necessary with the use of force, that they, along with the class of French savers, received interest payments on their loans. From time immemorial high finance supported the power politics of the French state; it is the one group among all economic strata in France that is able to use its unity and economic weight to gain political clout.

It was also the bastion of the national bloc. Based on France's military superiority, its policy hoped for a strong expansion of [France's] colonies and its influence in Europe, goals which high finance must pursue in order to broaden the basis of financial activities. Via French political influence, it hoped to strengthen its influence in competition with English and American finance in such border states as Poland and Czechoslovakia. Solidarity between bank capital and peasant and urban savers appears to be even more direct in the case

of French relations to Germany and Russia. The war had severely damaged the French economy and state finances. To save the middle class investors from full proletarianisation, the national and state economy can bear the enormous burden of the power apparatus, which increased through loans to the states of the Little Entente for military purposes, if payments are extracted from Russia and Germany. To do that, a strong state and ruthless policies seem to be indispensable means.

The problem with this policy is twofold: The longer they are pursued, the more likely it is that France's power policy must come into contradiction with the economic and political interests first of England and then of the United States, who want a peaceful world and the restoration of European consumer buying power. In addition French policy is undermined by economic weakness. Russia's ability to pay is in the foreseeable future null and Germany's was ruined by the way in which Poincaré attempted to extract the payments. French finances declined and the franc fell. The French government had to seek help from the Anglo-American financial world and simultaneously – and much too late – raise taxes. Morgan's effort to provide support illustrated the dominance of Anglo-Saxon financial power all too clearly. The falling franc, inflation, and the increasing tax burden tore apart the community of interests between high finance and the peasants and petty bourgeoisie. The move away from the politics of the national bloc was possible.

It became a reality through the strengthening of European democracy.

We have analysed the reasons for that elsewhere.³ In this context it is important to explore the significance of democracy for a policy of realistic pacifism. One speaks so often of 'bourgeois' democracy. Of course, the thinkers of the Third Estate laid the foundations for the idea of building a modern democracy. In historical reality, however, the advancing workers' movement achieved democracy in the large capitalist states, and Lassalle was right when he identified the idea of universal suffrage, which he exaggeratedly identified with democracy, with the working class. The realisation of democracy only began in the most recent period. Only just before the war was the power of the English House of Lords broken and only during the war did suffrage for the lower house become truly general. But democracy consists not only of the equal right to vote, of press freedom, and freedom of assembly. In order to be able to be fully realised it requires self-administration, which, outside of the Anglo-Saxon world is not fully developed, and which is the most important means of reining in the power of the bureaucratic apparatus and of subordinating the

3 'Probleme der Zeit', *Die Gesellschaft* 1 (1924).

latter to democratic political control. In the same way, democracy demands the subordination of military power to civilian control, in other words, an end to militarism in the full sense of the word. But democracy is only possible when its advocates are present: the politically prepared, schooled, responsible, and organised masses. Without them democratic institutions become mere forms, which Bonapartists or oligarchs misuse. Instead of complaining about the shortcomings of democracy, the political task is to liberate democracy from its shortcomings. Its advocates can only become effective in the struggle for democracy and above all through democratic participation. This is because democratic self-government, on the one hand, awakens interest in social problems and strengthens class-consciousness, while at the same time it creates a state organisation in which class antagonisms can be expressed without the most violent eruptions. The democratic constitution has a twofold impact: firstly the political strength of classes is steadily monitored and this knowledge of forces signifies their recognition and easier consideration. These forces then set about directly forming the will of the state, which in a democracy can only be the will of the citizens. It is not formed as the will of an organisation separate from the mass and in opposition to it. It should not be overlooked that all social relations and dependencies that arise from the economic organisation of society affect the political will. Their removal, however, requires changing the organisation of the economy and should not be regarded as a shortcoming of the political constitution.

Thus we stand at just the beginning of democratic development. Compared to the rigidity of other systems of rule, its essential characteristic is the plasticity, pliability, and conformability of the democratic state to the changing relations of power among the social classes. At the same time that means that, as much as the capitalist strata can pursue their interests within the state organisation, the influence of the broad masses shapes the formation of the state's political will more and more. This is all the more the case, because with the change in the political system, it is above all the working class that grows increasingly conscious of its strength and power.

We have seen how, after the war, the power policy of precisely the most important states did not produce warlike conflicts; we have been able to ascertain that also within the states powerful capitalist strata are interested above all in the reconstruction of political security and thereby the possibility of their political participation. This connects them to the broad peasant and worker masses, the bearers of democracy. In the face of this constellation, our slogan cannot be: Capitalism means war, Socialism means peace. We must use the situation, which perhaps – viewed in an economic sense only – will be temporary, in order to shape it definitively by wielding power. And we can do that, because

state power can be influenced to an increasing degree through the political will of the organised labour movement.

There are also other considerations. Among the most significant historical developments of our time is the drive for national independence by the previously subjugated nations of Asia and North Africa. In so far as it is directed only against the powers that once ruled them, we are talking about a difficult but not unsolvable problem of democratic politics in these states. It is essential to steer [the struggle] for national and political emancipation in a way that leads to national self-determination through gradual development. These emancipatory tendencies could threaten peace if they are placed in the service of the power politics of other states. Just as the national efforts of the Balkan peoples to achieve freedom from Tsarist policies was exploited for political ends, the foreign policy of the Bolsheviks also attempts to use national antagonisms and movements for liberation for their own purposes, which are in reality a mix of realistic Russian efforts to expand and the romanticism of world revolution. The experience of the war and the post-war period has shown irrefutably that the sudden collapse of capitalism and the violent disruption of economic life does not strengthen the labour movement, but weakens it and sets it back.

As much as democracy and the labour movement must recognise the right of self-determination, because in the long run the achievement of national freedom and autonomy is an indispensable condition of lasting peace, equally important is its interest in avoiding a development that leads to a violent European upheaval. This is because the economic damage that would accompany violent political catastrophes in India or Egypt, would undercut the fighting strength not only of the English, but also of the European workers' movement. It would not promote the progress of socialism, but would hinder it. Opposing the interests of the dominant and exploitative capitalist cliques as well as the power interests of the Russian government, the English Labour Party's cautious policy of compromise represents the long-term interests of the European labour movement and maintaining peace.

The warlike tendencies, which the capitalist drive for expansion created under very particular historical conditions of state power relations, and which the war and its results fundamentally changed, are being weakened even further by changes in military technique itself. The monstrousness of destructive capabilities does not stem solely from the terribleness of the means in themselves, but rather from the expansion of the field of destruction in which the difference between combatants and non-combatants becomes muddled. War is above all a matter of industrial technique; every worker and technician in the factories is just as important to the war's outcome as the soldiers doing the fighting. The annihilation of the productive enterprises and the producers

becomes a necessary condition of fighting the war. And as quickly as modern production, as long as it is intact, can repair the damage, then the consequences of the annihilation of this apparatus will be all the more monstrous in the next war. In addition, this new technique has extraordinarily increased the uncertainty of war's outcome. The last war and its consequences have created the psychological conditions to teach both the masses as well as the ruling strata that a new war would have to be economically and socially much more disastrous than any victory. Instead of the nonchalant confidence in peace that dominated peoples before the war, today, in spite of everything, they are fearful of war and prepared to value working for peace much differently than before.

The democratic period is different from the era of bourgeois liberalism above all in that its most important problems are organisational. This is also true for democratic foreign policy. We are talking here about reducing the sovereignty of individual states through the establishment of a transnational organisation. Reducing economic sovereignty ensures that the monopolistic tendencies of organised capitalism do not cut states off from one another economically, thus causing violent upheavals, which are intensified by exaggerated state interference and provoke violent countermeasures from other states. Reducing political sovereignty places limits on the ability of individual states to strive for power through mandatory arbitration and disarmament. The League of Nations represents the beginnings of such an organisation and its last meeting showed the great promise contained in its development if the possibilities created by the war's outcome, such as the changes in the power relations and policies of the states, can be energetically used by governments whose political will is determined by the growing influence of democracy and socialism.

Rudolf Hilferding, 'Realistischer Pazifismus' 1924, *Die Gesellschaft*, 1 (2): 97–114.



The Heidelberg Programme (1925)

Principles

The inherent laws of capitalist development have led to the strengthening of the large-scale capitalist enterprise, which in industry, trade, and transport increasingly undercuts small enterprise and reduces its social significance. With the continuous growth of industry, the part of the population working in industry steadily increases compared with the part working in agriculture.

Capital has separated the mass of the producers from ownership of the means of production and transformed the worker into a propertyless proletarian. A large part of the land is in the hands of large estate owners, the natural allies of big capital. Thus, the economically decisive means of production have become the monopoly of a relatively small number of capitalists, who use it to maintain their economic power over society.

At the same time, along with the advance of the large enterprise grows the number and importance of employees and intellectuals of every type. In the socialised process of production they exercise management, supervisory, organisational, and distributive functions and through scientific research they promote the methods of production. With their growth in number they increasingly lose the possibility of rising into privileged posts and to an increasing degree their interests coincide with those of the rest of the working class.

The productivity of human labour grows enormously with the development of technique and the monopolisation of the means of production. But big capital and the large landowners aim to monopolise the fruits of the socialised labour process for themselves. A full share of material and cultural progress made possible by the growing productive forces is denied not only to the workers but also to the middle classes. Under capitalism there are tendencies that constantly squeeze workers' living standards. Only through continual struggle is it possible for them to fend off increased degradation and to improve their situation. The constant threat of unemployment adds to their high degree of existential uncertainty. This becomes especially painful and embittering in periods of crisis, which follow every economic boom and are rooted in the anarchy of capitalist production.

The capitalist drive for monopoly leads to the merger of branches of industry, to the linking of successive stages of production, and to the organisation of the economy into cartels and trusts. The process unites industrial capital, commercial capital, and bank capital into finance capital.

Individual groups of capitalists become such powerful rulers of the economy that not only the wage earning workers, but also the entire society becomes dependent on them.

With the growth of its influence, finance capital uses the power of the state to dominate foreign territories as sales markets, sources of raw materials, and sites for capital investments. This drive for imperialist power constantly threatens society with the danger of conflict and war. Yet with the oppression and danger of advanced capitalism also grows the resistance of the steadily growing working class, which becomes trained and unified through the mechanism of the capitalist process of production itself, as well as through the constant work of the trade unions and Social Democratic Party. The number of

proletarians becomes ever larger, the antagonism between the exploiters and the exploited becomes ever sharper, and the class struggle between the capitalist rulers of the economy and the ruled becomes ever more embittered. Since the working class fights for its own liberation, it represents the general interest of the whole society against capitalist monopoly. A vastly strengthened labour movement, having matured through generations of sacrifice, faces capitalism as a worthy opponent. The will arises more strongly than ever to overcome the capitalist system and, by uniting the proletariat internationally, by creating a system of international law, and a true alliance of equal nations, to protect humanity from military annihilation.

The goal of the working class can only be achieved by the transformation of capitalist private property in the means of production into social property. The transformation of capitalist production into socialist production, carried out for and by society, will result in the development and enhancement of the productive forces so that they become a source of the people's wellbeing and all-round improvement. Only then will society emerge from its state of subjection to blind economic forces and general disunity to one of self-governance in harmonious solidarity.

The struggle of the working class against capitalist exploitation is not only an economic one; it is also by necessity a political struggle. The working class cannot lead its economic struggle and its economic organisations cannot fully develop without political rights. In the democratic republic it possesses the form of state whose maintenance and expansion is an imperative necessity in its fight for liberation. It cannot bring about the socialisation of the means of production without having taken political power.

The proletarian struggle for emancipation is a task that involves the workers of all countries. The German Social Democratic Party is conscious of the international solidarity of the proletariat and it is committed to fulfilling all the obligations that that entails. The long-term well being of the nation today is only achievable through cooperative solidarity.

The Social Democratic Party does not fight for new class privileges and prerogatives, but the abolition of class rule and of classes themselves, for the equal rights and duties of all, regardless of gender and ancestry. Proceeding from this viewpoint, it fights not simply against the exploitation and oppression of the wage-earning workers, but against any type of exploitation and oppression whether it is against a people, a class, a party, a gender, or a race.

The task of the Social Democratic Party is to make the working class conscious of its struggle for liberation, to unify it, and to point out its essential aim. In constant struggle and work in political, economic, social, and cultural spheres it strives toward its final goal.

Action Programme

The Constitution

The democratic republic is the most favourable terrain for the working class's struggle for liberation and thereby for the realisation of socialism. Therefore, the Social Democratic Party protects the republic and calls for its extension: It demands:

The Reich should be transformed into a centralised republic based on decentralised self-governance. From the new and organically linked foundation of the local governments and the states, a strong Reich government should arise with the legal and administrative authority necessary for a unified leadership and cohesive Reich.

Extension of the Reich administration into the judiciary: all courts should become Reich courts. Uniform principles for the security police should be established through legislation. A centralised criminal police force for the Reich should be created.

All monarchist and militarist efforts must be combatted. The Reichswehr should be transformed into a reliable republican institution.

Complete realisation of the constitutional equality of all citizens regardless of gender, origin, religion, and property.

Administration

The goal of Social Democratic administrative policy is the replacement of the police-state executive, inherited from the authoritarian state, with an administrative organisation that makes the people the bearers of administration based on democratic self-governance.

To that end we demand:

The democratisation of the administration.

Legislation on the national level for the centralisation of the administration.

The Reich establishes the principles of administration. Implementation is a matter for the self-governing bodies in so far as it does not involve issues, which, because of their centralised nature, require the direct administration of the Reich.

Legislation should provide flexibility for local and provincial particularities.

A national law for the administration of the states should uniformly determine the structure of the state administration and responsibilities of the administrative districts and administrative organs.

Reich legislation should provide a uniform law for local governments and governmental associations (rural governments, cities, counties, and provinces). A unicameral system should be created for all self-governing bodies. The election of mayors should be for a set term. The self-governing bodies should take care of the business in their sphere independently within the framework of national and state laws and under its own responsibility. The right to petition and to call referenda should be introduced for questions of general public interest.

An independent administrative court should guarantee judicial review of the administration, especially for the protection of citizens against administrative actions in their legal sphere. At the same time, the Reich administrative court functions as the higher administrative court in all matters affecting the states.

Through a Reich communalisation law and a Reich law on expropriations, local government and governmental associations must grant the authority and means for the operation and expansion of the local communal economy. The administration should be set up so that, on the one hand, enterprise operations are freed from bureaucratic hindrances and, on the other, the public institutions' right to give direction remains guaranteed.

A uniform service law should be created for all officials and employees of public entities. Selection, appointment, promotion, representation, and protection should follow democratic and social criteria.

Justice

The Social Democratic Party combats every form of class and party justice and stands for a legal order infused with a social spirit. The administration of law should include the decisive participation of elected lay judges in all branches and at all levels of the justice system.

In particular the party demands:

The subordination of bourgeois property law to the rights of the social community, the easing of divorce, the equality of women and men, the equality of children born out of wedlock to those born within marriage.

Greater protection of the individual and of social rights in criminal law, the replacement of the punishment principle with that of educating the individual and protecting society. Abolition of the death penalty.

The reestablishment of sworn juries in the trial process and the expansion of their jurisdiction, especially regarding political and press related offences. Right of appeal in all criminal cases, elimination of all rules that disadvantage the defence.

During investigations, those arrested should be protected against violations by the public authorities. Arrest, except in cases where people are caught in the act, should only occur in accordance with a judicial order. Hearing on appeal against detention.

The carrying out of sentences must occur in accordance with national legal regulation in a humanitarian spirit and following educational principles.

Social Policy

Protecting workers, employees, and officials and raising the standard of living of the broad masses requires:

Protection of the right to organise and the right to strike. The equal right of women to paid work. Abolition of paid work for school-aged children.

Legal establishment of a workday lasting a maximum of eight hours. Shortening of the working day for youth and in factories that pose high risks for health and life. Limits to night work. A weekly, uninterrupted respite from work of at least 42 hours. Yearly paid vacations.

Concern over requests for emergency work should remain exclusively a matter for the trade unions.

Inspection of all factories and businesses by a Reich business inspection agency that should be expanded to include workers and employees as officials and trustees.

Securing of contracts and benefits on a national basis through their completion by arbitration boards.

Independent labour courts, which are separate from the regular court system.

Uniform labour law.

Standardisation of social security and its restructuring into a general system of public assistance. The inclusion of those unable to work and the unemployed.

Comprehensive, preventative, and healing measures in the area of public welfare, especially education, health, and economic assistance. Uniform national regulation of welfare work, the execution of which ensures the participation of the working class.

Support for international treaties and legislation.

Culture and School Policy

The Social Democratic Party strives for the abolition of the educational privileges of the possessing classes.

Education, training, and research are public matters; their operations should be ensured through public means and institutions. Instruction should be at no cost, teaching and learning materials should also be free and students should receive economic support.

Public institutions for education, training, and research are secular. Any public or legal influence on these institutions by churches or by religious or philosophical communities is to be combatted. State and church should be separate, as should school and church. Elementary, professional, and technical schools should be secular. There should be no use of public resources for church or religious purposes.

The structure of the school system should be standardised. The closest possible connection should be made between physical labour and mental labour at all levels.

Children of both genders should be educated together by male and female teachers.

Teacher training at technical colleges should be standardised.

Finances and Taxes

The Social Democratic Party of Germany demands a fundamental, comprehensive financial reform, which should be grounded on the principle of direct taxation and a distribution of the tax burden according to one's ability to pay.

In particular, [it demands]:

Improvement of income, wealth, and inheritance taxes.

Equal and uniform tax assessment with public availability of tax registers. The effective prosecution of tax cheats, especially via regular, obligatory audits.

Tax exemptions to ensure a minimum social existence. Strongest protection of mass consumption. Abolition of the turnover tax.

Involvement of public authorities in the assents and management of capitalist enterprises.

Economic Policy

In the struggle against the capitalist system, the German Social Democratic Party demands:

The removal of the land, natural resources, and natural sources of energy from capitalist exploitation and their placement in the service of the community.

Consistent with the maintenance of close cooperation with the trade unions, a system of economic councils should be designed for the implementation of the working class's right to co-determine the organisation of the economy.

Reich control over capitalist interest groups, cartels, and trusts.

Support for increased productivity in industry and agriculture.

Support for settlements.

The dismantling of the protective tariff system through long-term trade agreements to promote free trade of commodities and the economic integration of nations.

Expansion of the operations of Reich, state, and public bodies while avoiding bureaucratisation.

Support for non-profit cooperatives and public enterprises.

Support for public housing, for public design of law effecting renters, and for combatting profiteering by builders.

International Policy

As a member of the Labour and Socialist International, the German Social Democratic Party fights together with workers of all countries in joint actions against imperialist and fascist provocations and for the realisation of socialism:

It opposes with all its might the intensification of antagonisms between nations and any endangerment of the peace.

It demands the peaceful solution of international conflicts and their negotiation before international arbitration courts.

It stands for the self-determination of peoples and for the right of minorities to democratic and national self-government.

It opposes the exploitation of colonial peoples, the violent destruction of their economies, and of their culture.

It demands international disarmament.

Based on compelling economic grounds, it stands for the creation of an economically united Europe, for the formation of a United States of Europe, in order to achieve the solidarity of interests of peoples on all continents.

It demands the democratisation of the League of Nations and its redesign into an effective instrument of peace.

Rudolf Hilferding, 'Programm der Sozialdemokratischen Partei Deutschlands beschlossen auf dem Parteitag in Heidelberg, 1925', reprinted in Dieter Dowe and Kurt Klobach, eds., *Programmatistische Dokumente der Deutschen Sozialdemokratie* (Bonn: Verlag J.H.W. Dietz, 2004): 194–203.

The Tasks of Social Democracy in the Republic (1927)

Party comrades! Surely it has never been so hard to make a judgement about the *future development of economic conditions* as in the years after the war. Violence [had] completely disrupted the laws of economic development. Still, I think that, unless all the signs deceive us, for the first time since the end of the war economic conditions around the world are generally improving and this includes Germany above all. There are two basic grounds for this [conclusion]: First, because we have no reason to support the game played by those who, for reasons of foreign policy, always paint the German economic situation in the blackest of colours without being able to fool the foreigners in any way, and who [also] use this grim description of supposed economic weakness as a pretext repeatedly to oppose workers' just demands for wage increases. (Very true!) I also wish to make a general point. I have always been among those who reject the theory of any *economic* collapse because it was precisely Karl Marx who proved that such a theory of economic collapse is wrong. After the war, however, a *political* theory of collapse was conceivable. The Bolsheviks, its primary proponents, asserted that we stood before the capitalist system's imminent collapse. In contrast to that view we must assert that no such political collapse has occurred. As socialists true to our old conceptions, we have no reason to regret this assertion. We have always thought that the collapse of capitalism as a result of the system's internal laws is not something to wait for fatalistically. On the contrary, the overthrow of capitalism must be the conscious act of the working class (Exactly right!) Marxism was never fatalism but its opposite: the highest level of activism. (Lively agreement) The sentence of the *Communist Manifesto* that 'the emancipation of the working class can only be the work of the working class' has a double meaning. Emancipation is the work of the *working class* in the struggle against the bourgeoisie, but it is also *the achievement* of the proletariat, the conscious act of a class, which becomes aware of its situation in capitalist society and from an analysis of this situation draws the conclusion that the whole system must be changed.

As soon as the first signs of an improvement in the economy were visible the most unteachable section of bourgeois science once again spoke of the end of Marxism. Others, the more intelligent, thought they could foresee a rekindling of the capitalist spirit. In contrast [others], such as Werner Sombart, who, when using the method he learned from Marx, still knows how to say something intelligent, had asserted that capitalism was past its prime and had entered into its late period. It is interesting that economists in the private sector, i.e., those scholars who stand closest to capitalist enterprise, such as Professor Geiler, also are talking about the period of late capitalism.

If we ask ourselves, however, what is the reality of the situation, then we have to look at the situation much more concretely and characterise it more precisely than one is able to using the expression 'late capitalism'. What is decisive is that we find ourselves in the capitalist period in which the era of free competition, during which the blind laws of the market dominated capitalist governance, has essentially come to a close. We now have to do with the capitalist organisation of the economy, in which *an economy of free competition gives way to an organised economy*.

In order to describe it with a few buzzwords, the organised economy is technically characterised by the increased use, next to steam and electricity, of synthetic chemistry in the production process. This use of chemistry means something new in principal. It makes the capitalist economy dependent upon the supply of individual raw materials, because they primarily rely upon the artificial production of important raw materials from inorganic substances, which are available in large quantities everywhere. I am reminded here of the production of oil from hard and soft coal, which is important for industrial production and power generation. There were many so-called geo-politicians, socialist and non-socialist, who have argued with us that a new world war will come and it will be a struggle for sources of oil. This whole geo-political current is, of course, embarrassed to death if oil now is fabricated in Leuna and in Merseberg. Secondly, the synthetic chemical industry assumes the transformation of raw materials into such a form that they will be much more suitable for industrial use or that they will give these raw materials wholly new attributes. Thirdly, development is moving toward the production of precious organic substances from cheap inorganic ones. I am reminded of the enormous upswing that occurred as artificial silk penetrated the textile industry. In place of silk that had to be produced by silk worms came a chemical process in which a silk-like material can be produced from cheaper readily available raw materials. We are talking here about what is essentially a new thing that can transform with colossal force the whole technical basis of capitalist production.

A second characteristic is that capitalist industry, in which a new energy-loaded scientific process becomes effective, wants to exploit the new possibilities in an *organised* way. It is notable that, as in the past, new industries not only build themselves up from the outset at the highest technical level, but they simultaneously organise themselves, when possible on a global basis. For example, the synthetic silk industry is not only a monopoly in Germany but is basically a single international capitalist concern, which is closely affiliated with other trusts in Germany and in England and from there establishes connections with other firms. The *development of cartels and trusts* that has occurred in industry is now the primary concern with which new industries enter the field.

A third characteristic fact is the internationalisation of capitalist industry, the effort to link together the national monopolies into international cartels and trusts. Whoever comes into contact with capitalist economic circles – and that is very useful because it is essential to understand the psychological outlook of one's opponent – is astounded by the eagerness with which these circles, isolated from one another in their national outlook before the war, today seek out international ties, by their cultivation of foreign connections, and by how active the drive for international organisation has become. While the organisation of the working class developed first – the trade unions were the first organised economic element within capitalism – the capitalists have caught up to our organisations on the basis of their greater class-consciousness and fewer numbers. We must pay attention so that also does not occur on the international plane.

Give me a moment for a small aside. We have fought against German trade policy above all as an unnecessary price increase for agrarian production. But the really revolutionary thing about the trade policy of the last decade before the war was the *industrial* protective tariff, which functioned not as a 'protector of national labour' but as the strongest driver of industrial organisation and as the strongest driver of cartelisation and trustification. This made it possible to fully exploit the tariff so that domestic prices could be raised to a level equal to the amount of the tariff above that of the world market price. In that way the protective tariff became a premium for the creation of cartels and trusts.

Now one would have expected that through the internationalisation of cartels, through the elimination of competition between national economies, the movement in favour of protective tariffs would ebb. The opposite has occurred, because now the protective tariff has acquired a new function. If the German iron market is protected by a high tariff that means that, in negotiations with the French, the German Association of Steel Manufacturers can say: our market is protected by the state. As a result, from the outset the share of the German domestic market allotted to the international steel cartel belongs to us. Only after we have received this share will we discuss whatever claims we have for a share of the world market.

The higher the protective tariff, the larger and more secure the share claimed by a national monopoly amidst [the process] of international monopolisation. Now the most interesting thing! In Germany this whole trade policy was always justified as protection of national labour. But this protection for cartels makes it easier to form cartels internationally. Thus, the German iron tariff is also a protective tariff for the French iron cartel; the protection of national labour has become the strongest driver for the formation of international cartels; and the German nationalists, who are always demanding the protection of

national labour, are in reality calling for the protection of the French, Belgian, Polish, and Czech iron industries, because the French iron industry will be much better off through the formation of such international cartels than they would be in competition on the international market with advanced German industry. Trade policy, therefore, is two-sided: the reactionary side is that of price increases and the robbery of consumers, and the revolutionary side, which increases the tendency toward organisation within capitalist society.

Now the fourth point, which is normally not visible and which development only points to in a preliminary way, but which is perhaps the most important one of all. We all have the feeling that even private enterprise, the economic leadership of individual entrepreneurs, has ceased to be the private matter of the businessman. Society has understood that it is in its interest when the productivity of each individual enterprise increases and when the economic leaders who are involved also really fulfil their technical and organisational duty as entrepreneurs to raise productivity. I am reminded that institutions like the Economics Board, like virtually all bureaucratically supported efforts at rationalisation, push capitalists to raise the output of their factories. They are significant in that they represent society saying: Entrepreneurial leadership is no longer a private matter for businessmen; it is, rather, a social concern. Now the most important thing is the following: The formation of combines, the merging of ever more firms into one supreme firm, means the elimination of competition for the individual companies. It is an axiom of capitalism that only the compulsion of free competition supports the economy and can bring about necessary technical innovation and progress. The main argument against socialism has always been: You shut down the private initiative of free competition and do not know what to put in its place. As a result, your economy will not work because it does not take into account the ambition and self-interest of the private owners of the means of production. Now it is very interesting to see how, in the development of modern economic science, methods are sought to replace free competition of private self-interest with scientific and planned methods. It is very clear that the head of the combine has the greatest interest in being able to tell at any time whether an individual firm, which forms a part of his enterprise but does not compete with similar firms in the same combine, is achieving the highest level of effectiveness. Very precise methods have been worked out in order to replace competition based on self-interest with a scientific method of competition. Thereupon we socialists also have the principle of our economic management. Capitalism thereby surrenders its main objection to socialism and with that the last psychological objection to socialism also collapses. (Very true!) Thus, in reality organised capitalism means the *fundamental replacement of the capitalist principle of*

free competition with the socialist principle of planned production. To a much greater degree this planned and consciously managed economy is subject to the *conscious influence of society*. That means nothing other than influence through the only conscious organisation of society equipped with coercive power, the *state*.

If that is the case, then on the one side emerges the capitalist organisation of the economy and on the other the organisation of the state. The problem is how do we want to shape their reciprocal interpenetration. That means nothing other than that our generation, with the help of the state, faces the challenge of transforming the *capitalist* organised and managed economy into one guided by the *democratic state*. It follows, then, that the challenge facing our generation can be nothing other than that of socialism. If as Social Democrats we previously fought for political rights and for the establishment and expansion of social reforms, it is economic development itself that has raised the *challenge of socialism*.

There is no doubt. The formula – we are talking here about the antagonism between socialism and capitalism – is correct. But allow me two comments in that regard. This wording is economically and historically correct. But it was already correct at a time when we were fighting for social reform, because for us social reform meant nothing other than paving the way for socialism. For that we have always differentiated ourselves from bourgeois social reform. The phrase is also economically correct. But does it exhaust the *political* content of our time? As a mass party we always face the following dilemma: We must turn to the masses with the most simplified and understandable language, but such generalisations entail the danger of limiting the party's politics too much. (Exactly right!) If a phrase goes too far then it is open to every possible interpretation and at every step one can object that this political act contradicts the general formula.

I have talked about the growing interpenetration of the economy and the state, of their reciprocal relationship, which is drawing ever closer through the organisation of the economy. I remind you that the influence of the state on the economy was always available in certain matters even in the period of free competition. I remind you of the state's power over the money market, which has again become very clear in recent days due to the historically unique stock market panic artificially created by the capitalist government. Here I nevertheless have the sense that it is necessary to tell the masses about the importance of trade policy. We have experienced an extraordinary rise in the price of grain recently, and one must make it clear to the masses that the prices of bread and meat are not just economic prices, but rather are *political* prices, (Exactly right!) which are determined by the relations of political power. It is

urgently necessary, if the masses desire to improve matters here, that they take the initiative and get behind a policy to reduce or eliminate this political factor from the economic price.

What is more important and new, however, is state regulation in the sphere that immediately concerns the proletariat's destiny: the labour market. Thanks to the revolution we have unemployment insurance. That means that supply and demand on the labour market are regulated to a certain extent. Today, through our system of collective bargaining and arbitration courts, we have the *political* regulation of wages and the political regulation of working time. The personal fate of a worker is determined by the policy pursued by the state. If with two million unemployed we have succeeded, by and large, in maintaining the real wage for workers, then we could secure the real wage above all because the political influence of the working class was large enough to hinder a reduction in wages using the methods of unemployment insurance, arbitration courts, and collective bargaining. We must hammer it into the brain of every worker that *the weekly wage is a political wage*, and how the wage shapes up at the end of the week depends on the strength of the parliamentary representation of the working class, on the strength of its organisation, and on the social power relations outside of parliament. To working women, in particular, it must be said that when you go to vote you are deciding simultaneously about bread, meat, and the wage level. Naturally that is something new in the capitalist economy and is an element of great economic, social, and political significance. Professor Cassel, a fossil from capitalism's Manchester period, who strangely enough can travel around as an international expert, is right when he asserts that it contradicts the essence of capitalism – as he had learned about it. That is only possible because we have an organised economy, which increasingly gives way to the conscious organisation of society through the state.

And with that I come to our view of the state. Here I'd like to call upon the best Marxist, on history, which this time is also in agreement with Karl Marx. What was our *historical* position on the state? There is no doubt that the labour movement – especially the socialist one – was from the beginning the bearer of the idea that the state could influence the economy against liberalism. There is no doubt that we – first in the sphere of social politics – repeatedly demanded state intervention and an increase in state power, and now we demand going beyond social reform and into the spheres of economic policy and management. To regard the management of the economy and of individual firms as society's business is precisely the socialist principle and society has no other organ through which it can act consciously than the *state*. Thus for the present there is no possible doubt concerning our attitude toward

the state. But if that is historically the case, then we have always been on our guard against falling into bourgeois or particularly German conceptions of the state. The Marxist method demands that with all social phenomena we dissolve the fetishism of these phenomena through the analysis of reality. The German philosophy of the state makes the state absolute, into a god; it has taught that the state is the realisation of freedom, of morality, or of some other metaphysical principle. The German philosophy of the state ran even wilder when the state had less power. We have had something that one can call a state only since 1870 and our philosophy of the state stems from the eighteenth and early nineteenth centuries. It is therefore useless for any knowledge. Marx had certainly indicated a decisive attribute of the state when he asserted that the state is not to be regarded solely as a political body, but rather according to its social content, which consists of the dominant classes using state power to maintain their rule. But Marx's definition of the state is not a theory of the state, because it is valid for all state formations from the beginning of class society. Our task is to make clear the differentiating characteristics of the state's development.

The English, who have long had a state, have never paid attention to this philosophical notion of the state. English constitutional literature says nothing at all about the state but rather about government. For us socialists it should be a given that an organisation consists of members, of leaders and of an apparatus. That means, therefore, that the state is nothing other than the government, the machinery of administration and the citizens, who construct the state – politically. In another context that means that political parties are the essential elements of any modern state. This is because the individual can only express his [political] will through the medium of the party. As a consequence, all parties are necessary elements of the state, just like the government and the administration. At the same time that means recognising the fundamental basis of the Marxist definition, because the party struggle reflects nothing other than the struggle of classes among themselves. The party struggle is, therefore, the expression of class antagonisms.

If the point of the struggle for the state is to gain influence over the direction of the economy, then the genius of a comment by Marx, which he thought was so important that he makes it not only in *Capital* but also in the *Inaugural Address*, becomes clear. Speaking about the ten-hour day, he concludes, 'Therefore, the Ten-Hours Bill was not only a great practical success – it was the victory of a principle. For the first time the political economy of the bourgeoisie was defeated by the political economy of the working class'. That means: the more capitalist society succumbs to the increasing influence of the working class, then the political principle of the working class to use the state as a

means of directing and controlling the economy in the general interest is even more victorious. (Bravo!)

That this is not only a theoretical insight that we have to convey to the masses is shown by the development of the *trade unions*. It is characteristic that the unions are becoming increasingly politicised, not in the sense of a political party, but rather in their understanding of their tasks. In a society of free competition they were only able to lead the immediate struggle between workers and capitalists over the length of the working day and the level of wages. Now the unions are increasingly taking on other tasks. No longer active just in the sphere of social policy, the dominant principles in the union movement are now the struggles for *workplace democracy* and *economic democracy*. Economic democracy is the subordination of private economic interests to the social interest; workplace democracy is the possibility for the individual to rise to a position of leadership in the plant on the basis of one's ability. During the period of organised capitalism, the socialist goal of destroying the privilege of ownership emerged from the trade union movement itself; now the unions must take on socialist tasks. The whole struggle within the organised labour movement cannot be fought out in any other way than the ever-advancing realisation of socialist principle.

What appears to me to be especially significant, however, is that that is not just the goal of the free trade unions alone. For then one could say that, after all, they stand in close proximity to the world of socialist ideas. No, the same tendencies and thoughts are now winning through among the *Christian trade unions*. The leaders can still tell the Christian workers that they share a worldview that is different from ours, [but] in reality today the same class-consciousness lives among the Christian workers as among the socialist workers. (Very good!) They translate it into a different language, but the difference in language is much less than that between Bavaria and Saxony. (Mirth) That is a new moment that strengthens the struggle for socialism. Political development in the great struggle for the emancipation of the working class is moving toward breaking the right of inheritance and breaking the privilege of ownership in politics. First it was that of the monarchs; then it was that of the aristocracy; finally, after a difficult struggle of the working class against the bourgeoisie, the privilege of ownership in electoral law and all distortions of the franchise will end. From a purely political perspective the privilege of ownership is broken. The worker faces the contradiction that politically there is no longer the privilege of property, but only economic [privilege]. The contradiction is so obvious that the entire content of his thinking must be to eliminate economic privilege as well. As a citizen of the *nation* state, he has the power to take hold of the political lever and to use it to sweep economic privilege away. I have always found that

Freiherr von Heydebrandt, the last leader of the Conservatives in the Reichstag and the sharpest and perhaps most intelligent of our opponents, provided the best definition of the value of democracy for class struggle when he surprised the hall during a discussion of the inheritance tax with the assertion, 'We Conservatives will never tolerate turning over the wallets of the propertied to a Reichstag based on equal suffrage'. The man understood what democracy is about and we have no cause to understand it less well.

Viewed historically *democracy* has always been *the concern* (Sache) of the proletariat. I have always wondered about the claim, which today also is contained in some resolutions, that democracy had been the concern of the bourgeoisie. That means not understanding the history of democracy and, in a clueless intellectual manner, wanting to extract the history of democracy from the writings of some theorists. In reality there is no sharper political struggle than the one for democracy between the proletariat and the bourgeoisie. (Exactly right!) It means denying the whole socialist past, ever since Marx uttered the famous phrase that the point is to raise the working class to a political party, when we do not recognise that this fight belongs to the great feats of proletarian class struggle and that it is historically wrong and misleading to talk about '*bourgeois democracy*'. Democracy was *our* concern. *We* have had to wring it from the bourgeoisie in difficult struggle. Remember the struggles for the franchise. How much proletarian blood was shed for the achievement of the equal franchise! (Very true!)

The expression bourgeois democracy is false not only historically but also from the standpoint of social analysis. Democracy means a whole different technique in the formation of the state's will (Staatswillens). In an authoritarian state, besides combinations of citizens expressing their electoral will, we face strong social organisations. I cannot go into more detail here. As with a catchword, it is enough for us Germans to say: In reality the will of the Reichstag in all important matters was a trifle in the face of the will of the military leadership, of the upper bureaucracy, or of the monarch. Now the formation of the state's will is formed from nothing other than the political will of individuals. The Reichstag no longer faces sharply demarcated organisations of the rulers; the rulers must turn to the citizens and, in the midst of an intellectual struggle with us, allow a majority to confirm their power. If they do not, then their power no longer rests on a democratic basis.

What about when the rulers do not respect democracy? Is that a problem for us? Is it not assumed, I say, not only by every Social Democrat, but, and I say this intentionally, by every republican, that at the moment of any attempt to destroy the democratic order all means can be used to protect it! (Very true!) We are talking here about the issue of using violence. After the

experiences we had in Germany in 1918, and especially after the experiences in Russia, the use of violence in class struggle – and I am talking here about real violence: beating, stabbing, and shooting – does not refer to a transitory coup, but a long, very bitter, and bloody civil war. If the democratic order is destroyed, then we are on the defensive and have no choice. Then we have to bring all means to bear. (Very true!) But no socialist – and I say this precisely from the standpoint of a socialist – will say anything like: I don't like socialism if I cannot use violence to achieve it. I am citing a phrase from Otto Bauer. (Very good!) We will not do that because we know that there is no more difficult obstacle to the realisation of socialism than civil war, and because as socialists we stand in a terribly difficult situation if proletarian state power emerges from a civil war. (Very true!) Therefore as proletarians we have a pressing interest in the *preservation of democracy*. We want to defend it – that must be said repeatedly – and therefore we thank the *Reichsbanner* for its work. (Bravo and applause) We hope that the *Reichsbanner* is filled with this republican consciousness and that no sacrifice, precisely in the interest of the working class, would be too large to defend the republic and democracy. (Bravo! – A shout: and the party?) If you have not understood that the preservation of democracy and of the republic is the most important interest of the party, you have not grasped the ABC of political thinking. (Bravo! And applause)

Democracy is not only the historical concern of the proletariat; it is also a *sociological* one. Again, it is an unhistorical conception that the ancient, early Italian, and our modern democracy have anything in common. Democracy exists only when strong, politically conscious proletarian organisations stand behind it; otherwise, they collapse. Look at the South American states! Wonderful constitutions, democratic order, but no proletarian organisations. Economies run by cliques, military coups, and so forth, a complete mess, because democracy is only possible when a strong, conscious, working class supports it. The same is true in the East. (Bravo!)

The term *formal democracy* is equally wrong, because it means underestimating the intimate connection between politics and the social impact of politics. Democracy means a different division of power that is already realised for possible. That means, of course, other social impacts; it means that the will of the state is formed in socially different ways. The separation of politics and social impact can be achieved theoretically in abstract writings. In political reality this separation is completely wrong. From this perspective, political democracy is also absolutely the concern of the proletariat. It is also completely wrong to say that democracy is formal. It is of the highest substantive importance for the fate of every individual worker. (Very true!)

Now people are running around the world shouting: Beware of democratic illusions! As Marx pointed out in his early works – from before the *Communist Manifesto* – political emancipation is not enough; human emancipation must come as well. Today we call that social emancipation. At that time, facing the bourgeois democrats of 1848, protecting workers marching among these democrats from illusions was of the greatest importance and was a very important educational task, which Marx undertook. But is it not a pallid vision of intellectuals that we have to warn the workers, who day in and day out personally experience eight to ten hours in the factory, that political emancipation is not equal to social emancipation and that they should beware of the illusions of bourgeois democracy? That is intellectual childishness with which we have to grapple. (Very true!) I have a wholly different opinion. The real danger, which unfortunately has not remained just a danger, is that there are proletarian strata and proletariats of whole countries that *have not recognised the importance of freedom and of democracy*. (Bravo and applause) Justifiably, we have always been infuriated at the bourgeoisie, which abandoned its liberal principles. I have become more cautious in my critique since I have experienced how Mussolini came to power in *Italy*. Because the Italian proletariat did not know what a good thing freedom and democracy is. (Applause)

What applies in the South applies two and three times as much in the East. (Very true!) I experienced my most depressing hours in my party life in the struggle that I had to lead in the Independent Social Democratic Party against the supporters of Moscow's Twenty One Points. (Very good!) Many workers have not understood what they gave up when they subordinated themselves to these twenty-one dictatorial conditions, not only for the life of the state, but also for their own party. (Very true!) Since then we have learned what a misfortune Bolshevism has been. Whether Bolshevism has had a revolutionary or a reactionary impact is a matter for history to judge. For us Germans and for everyone in Central Europe it was doubtlessly a terrible misfortune that the victory of the Bolsheviks preceded the victory of the German Revolution. (Very true!) Had we then *all* held on to democracy, then we would have overcome the split in the labour movement much more quickly and we would have been able to achieve totally different and much greater successes than we did, because, underestimating the importance of political rights, a part of the labour movement fought against its own side. (Bravo! And Applause) If there are illusions to be destroyed, today these are no longer those that Marx destroyed in 1848. That is a completely ridiculous literalism. We have to destroy illusions that are dangerous *today* and today these are anti-democratic illusions. (Very true!)

Let me now explore the issue of *monarchy and republic*. I have wondered about the wording of the resolution in which it says that the struggle for

the preservation of the republic, to which the bourgeoisie is now resigned, is losing significance. If the workers would believe that and if the Reichsbanner grew weary in its struggle, you would be astonished at how powerfully the monarchists once again would strike. (Very true!) You give the monarchists in Germany license when you say that this struggle is less important. (Applause) So, this will not do. Correct is that the monarchists have suffered a terrible defeat and their support among the masses has fallen. Monarchist loyalty is not a herring that one can salt and store away for two years. Monarchist devotion cannot be treated like a share of stock, which one hands over at the bank and can be gotten back two years later when the exchange rate is better. But when that is correct, and when it is also correct that the acute struggle against the republic is no longer so dangerous today, what conclusions follow? Doesn't something of greater importance follow, which is that in the bourgeois camp certain antagonisms about the state's form have ebbed and thus made the *unification of the bourgeois reaction* easier and opened up a path that I have always found to be more dangerous than the road to monarchy? In Germany we are lucky. We have so many monarchs that the choice is very hard. (Amusement) But when it is no longer about the republic or about the monarchy, than all the reactionaries in Germany can more easily unify in the fight *against democracy and for fascism*. (Very true!) That is the change. The German Nationals have opened the way more easily to fascism by stepping off the path to monarchy. (Very true!) The danger, I concede, not to the republic, not to the form of the state, but for *the real content and scope of democracy*, is extraordinarily increased precisely because the German Nationals have salted away their monarchist ideas for two years. (Very true!) Consequently, we don't need to argue whether the issue is between a republic or a monarchy. But we must be aware that if we no longer defend the republic, if we don't continue to convey to the proletariat the great value of the republic, then *the republic will immediately be threatened anew*. The struggle over a republic or a monarchy is not in the foreground in *this* formulation. It has, however, transformed itself into a struggle *between fascism and democracy* (Very true!) We would make the most serious error, if we told the proletariat: you don't need to worry so much politically; material questions are now coming to the fore.

This development also shows us the dangers that the new rightist government means for the Reich. The Centre [Party] is very proud that the German Nationals accepted and voted for the guidelines for the extension of the Reich Protection Law that Count Westarp had proposed. That is a success from the Centre's party-political perspective as well as that of [all] republicans. It is a weakening of the German Nationals' position. But I think that the Centre's victory is deceptive, because for the German Nationals the issue is not really the

monarchy's form, but rather the *reassertion of their social domination* over the German people. (Very true!) That is the great illusion of the Centre's workers. The Centre again has masterfully understood to say to the workers: 'What do you want? The right-wing government is splendid and we have secured the republic'. There are party comrades who say the same thing. No, that is not what it's about for the German Nationals and that is what it cannot be about for the Centre's workers. What is at stake for both is the *social content* of the republic. There is the great danger that, with political concessions, one deceives the Centre's workers about the reactionary content of this government. (Very true!) We have every reason to reveal that. For the danger is real that, depending on circumstances, the blue-black bloc of the pre-war era will settle in for a long time. I don't think that we, along with the Centre's workers, have a political interest in that.

A second deception of the Centre must be avoided at all costs. We are talking here about the so-called cultural struggle (Kulturkampf). I don't dispute at all that there are a large number of honest people who are religiously inclined and want to use the state to strengthen this conviction and bring it to the youth. But I believe that the economic and political elites who now want to lead the Kulturkampf are not really concerned about religion, but actually aim to make sure that the Centre remains tied to the German Nationals and the German People's Party, thus securing the domination of big capital and the large landed estate holders. This unleashing of the Kulturkampf in Germany is a socially reactionary attack. For us there is only *one* way to respond. We must tell the Christian workers that ideology and religion do not divide us. The struggle that liberalism carried out against the church was necessary in European countries in which the domination of the church and of the absolute monarchy had been directly and strongly linked together. That one of the main tasks of French liberalism was to carry out this fight easily can be discerned from the development of the church in France. Things are different in countries with the separation of church [and state], with a variety of beliefs, and where from the beginning there was no unified church control. This is especially true today, when the church possesses enormous means of intellectual influence, which we can only counter on the societal plane and not through legislation. This struggle of intellects will not be decided from one day to the next, but rather in a free society in which matters are not masked, the relations of power are no longer sanctified by tradition, and every individual can take a position on this problem from the basis of a totally different scientific education.

But these religious antagonisms and these ideological issues have nothing at all to do with our social demands. (Very true!) It may seem amazing to us Germans and to continental Europeans in general that religious convictions by

themselves do not need to be an obstacle in class struggle. But go to England! (Very true!) Listen to the Sunday preachers there and you will be astonished how many are members of the Labour Party and, indeed, are among the most radical. I cannot go into details about this phenomenon here, but it must be repeatedly said to the Christian workers that our struggle over the schools, your school struggle, is in reality something wholly different. It is a part of our struggle for social liberation.

I have talked about the significance of the privilege of ownership under political democracy. If we want upward mobility for workers, if we want the economy to be led by the agents of the working class, then it is clear that we have to equip the working class with knowledge and with technical know-how to a completely different degree than the bourgeoisie previously has done. (Very true!) *Our struggle for the schools is a part of our struggle for social liberation.* For us it is important to get a school that embraces children of all classes for as long as possible, which provides every individual proletarian with the possibility of continuing education and to equip himself for the great social tasks that he has to fulfil but cannot yet fulfil today because he lacks knowledge and ability. (Lively agreement) That is *the breaking of the privilege of education*, which is no less important than the breaking of the privilege of ownership. (Very true!) We have to summon the Christian workers to fight with us for a school that sweeps away education as a privilege and provides working-class children with the possibility to be judged according to their abilities and not according to the moneybag of their parents. (Bravo! And applause) That is our *true Kulturkampf*. We don't want to put up with this struggle – the working class struggle is a continuous one for greater participation in culture – being falsified for social-reactionary purposes that put worker against worker over private beliefs that touch upon neither our social nor our political goals. (Bravo!)

What are the consequences to be drawn from these remarks? For us once again it means a great task for the state. We must make the state into the best political instrument, because politically, even according to our current constitution, it still leaves much to be desired. We must fight more energetically than ever for a centralised state (Einheitsstaat). The current situation is an insult to the concept of the national unified state as well as that of the federal state. The principle of the federal state is the equality of all its constituent parts, which work together to create the will of the whole. We lack this equality. Prueß* once said, fully correctly, that the situation before the war was in no way

* Hugo Prueß (1860–1925) was a leading jurist and liberal politician of the early Weimar era. In 1919, as Minister of the Interior in the Socialist-led cabinet of Philipp Scheidemann, he

that of a federal state, but rather it was one of Prussian hegemony dressed up in federalist clothing. Now, as a result of a series of peculiar circumstances in the creation of the new constitution, a new sin has been committed against both the principle of the federal state and especially against the principle of democracy – indeed, by stripping Prussia of its rights. I said [above] that the principle of the federal state is equality for all of its constituent parts. Prussia comprises three-fifths of the German people. In the Reichsrat* it is theoretically represented with two-fifths of the votes (27 out of 68 delegates). But that would not be the decisive thing. Before the war the reality was that Prussia ruled Germany through the Prussian royal house. No law was proposed in the Reich that was not approved previously by the Prussian government. The weight of Prussian votes was decisive and the smaller states never dared to vote differently than Prussia. But today Prussia has no constitutional association with the Reich government. The Prussian government's political influence on the Reich government is not different than that of Bavaria. The sole organ through which it can have an impact is the Reichsrat. But even this already reduced influence is eliminated through the peculiar type of representation in Prussia as the sole member state of the Reich that has introduced provincial representation. In our experience, during important ballots the votes of the provincial representatives and the Prussian government oppose one another and cancel one another out. Hence, Prussia musters only three or four votes in Reichsrat balloting.

But that is not enough! The provincial representation within Prussia again means that Social Democracy is stripped of its rights. In the last elections in Prussia the Social Democrats received twenty-five percent of the votes. Social Democracy's representation in the Reichsrat, however, amounted to only 7.5 percent. (Hear, hear!) It is exactly the same as the representation of the Democrats. We comprise a quarter of the population, but we have *one* vote in the Reichsrat. On the other hand, the Centre received 17.5 percent of the votes but has 38.5 percent in the Reichsrat. Thus, its representation is more than double what it would be according to its percentage of the voters. This situation amounts to the deprivation of Prussian voters' rights. It contradicts

prepared the elections to the National Assembly and played a central role in the writing of the Weimar Constitution.

* The Reichsrat was the Upper Chamber in Germany's bicameral national legislature. The governments of the federal states (along with some provincial assemblies in Prussia) appointed its delegates. The size of each state's delegation depended upon its population. The Reichsrat could veto legislation from the Reichstag (the Lower Chamber), but the Reichstag could override that veto with a two-thirds vote.

every principle of democracy and is intolerable in the long run. (Agreement) The current situation means an extraordinary strengthening of the weight of the small states, including that of the politically backward state of Bavaria. The whole way the Reich has been designed is unbearable from any standpoint. I remind you that in the German Reich we have 59 ministers, 42 senators, and, if I'm not incorrect, about 2,000 representatives, who, in 18 parliaments, cost 15 million marks per year. But that would be cheap, if one paid these ministers, senators, and representatives to do *nothing*. But the rascals do work and that means such a waste of energy, so much friction and conflict between the departments, that our administration is not only the most expensive, but also the most conflict ridden and perhaps among the great powers the one in which the greatest efforts have the least useful effects. (Very true!) Moreover, I don't have to tell you much about what it means for the economy that Germany is not demarcated following economic districts, but rather according to the scale of the treason that the Rhenish aristocracy committed in Napoleon's interest. (Lively agreement) Every Frankfurter knows about the idiocy of his state's border. (Very true!) For anyone thinking about the nation and the economy, the disagreement between Prussia and Hamburg is a tragedy; it is unbearable. (Lively agreement) Shortly after this disagreement, I was at a conference in London and toured the port of London. The port of London is naturally a unified area. Areas being considered for its expansion are under the control of a single port administration. The port community is similar to what we would consider a federal state but directly subject to national legislation. That is the only rational [system], but it can't be done here as long as we have parochial states.

However, all these tensions and economic divisions are not the decisive thing. In Germany, we cannot arrive at a real system of local self-government as long as we don't have a unified national government. Matters in England are such that the self-governance is controlled, but not by eighteen sovereigns, by people who are neither economically nor politically able. What should Schaumberg-Lippe* have to control in the matter of self-government? What we need is control over self-government – there is no self-government without controls – but a type of control whose basic criteria are determined by central government. (Very true!) We only can create real self-government when the big cities again become what they proudly were historically: immediately subordinate to the Reich rather than to the states.

* Schaumberg-Lippe was a small principality within the German Empire. After the latter's collapse in 1918 it became a free state within the Weimar Republic.

These are all perspectives concerning administration. But only in Germany are political and cultural tasks separated, with the Reich government's policies essentially reduced to a series of material tasks such as social policy, tax policy, and trade policy, while cultural tasks such as education, the elevation of culture, and so on, devolve to the states. All cultural issues, which for many act as the real stimuli for political activity, are not matters for the Reich government, but are relegated to the states. A centralised political movement on major cultural issues is unthinkable as long as we fail to simultaneously think of leading it as a national movement with the same élan as a Reichstag electoral campaign. (Very true!) It takes place, therefore, as a materialisation of national politics, which harms the entire political behaviour of our people. We are talking here on the one hand about the fragmentation of the states, which reduces the strength of our whole political struggle. On the other hand it has to do with the fact that we, who have recognised the great tasks of the state, also want the state to be in a position to carry out these tasks. Thus, we stand for stronger Reich authority, and this strong Reich authority cannot exist as long as it doesn't have the administration. For that reason alone is the division among the states, the fragmentation of Germany, unbearable and, consequently, the demand for a centralised state is among our most important demands. (Agreement)

Our comrades in Hamburg have brought forward Resolution 172, which is excellent, and I ask that you accept it. This resolution demands the establishment of a commission which will examine the best ways to introduce the centralised state. Three things stand in the foreground of the discussion. The issue of *greater Prussia*, the issue of whether it is possible to arrive at the centralised state via the path of the *imperial states* (Reichsländer), and, finally, the issue of whether we will have to choose a *direct way* to Germany's new order via the Reich. However, now I'd like to express my full agreement with Otto Braun when he says in his text 'Centralised German State or Federal System?' that, 'To establish a centralised state, the Reich must totally exhaust all possibilities that are constitutionally available to it within the legislative and administrative spheres'. I believe that this fight for the centralised state is one of the most important political struggles because it will increase our political effectiveness. (Very true!)

If that is the case, then is the fight for the centralised state covered by the slogan: Capitalism or Socialism? If by entering into a coalition government – I am talking here about the possibility, not the necessity – we can realise the centralised state in Germany, should we then say: no, under no circumstances? That is a totally impossible perspective and shows that, in many situations, one will not be able to accomplish anything with the formulation 'capitalism or socialism'. (Agreement)

The second consequence! If the economy is becoming increasingly organised and the influence of the state on the economy increasingly significant, it is very clear that it must be in the working class's interest to have ever more possibilities for participation in local and state administration. (Exactly right!) States are administrative [entities], not regions of state sovereignty. I believe that the reasons suggested by this or that side against entering a coalition government at the Reich level can in no way apply to administration [on the state level]. (Very good!) I remind you of an article by Dittmann from the time when we discussed this question in *Die Freiheit*. In it Dittmann trenchantly pointed out that it is fundamentally different to judge the problem of entering a coalition at the Reich level than the problem of participating in state administration or, to put it another way, in state government.

Consequently, I think it is a mistake, and indeed I have a concrete example in mind, if demands suddenly emerge in the formation of so-called state governments, which in reality only concern the Reich government. (Agreement) With that I am saying something that is valid worldwide. It was never a problem for us to be represented in the government of a commune, even when we did not have a majority, and I don't see why a communal combination, which is called Thuringia or Saxony, should be so different from Berlin's city government. (Exactly right!) Austria is also no different. In Vienna, where the Socialists have a majority, representatives of the Christian-Social minority sit in the city administration next to the Socialist majority. And in Austria's state governments the Austrians, in cooperation with Social Democracy, have set it up so that these governments are elected using the system of proportional representation. These supposed enemies of coalition government have constitutionally made sure that they don't have the coalition problem at least on the state level. We have the strongest interest, first because of the education of the working class, but further, because for us it is of fundamental importance who sits in the Reichsrat and who is represented in city administrations and state governments. (Agreement) When some party comrades often place little value on representation in state governments, they are abandoning positions of power.

That is true for all states with the exception of Prussia. In Prussia the political significance outweighs that of administration. Let me say something that I need to say. The communal work of our comrades in Vienna is certainly a marvellous example of Socialist communal politics. But I wish that, here and there, one would for once learn that German socialists on the local level also have accomplishments to show for themselves. (Very true!) I do not underestimate the importance of protecting renters. Rightly, we praise the great accomplishments of Austrian Social Democracy and of men like Breitner, Seitz, Danneberg, and Otto Bauer; but dare we really say nothing about what has been

accomplished in Prussia? (Very true!) As important as it is to protect renters, it was a wholly different thing to be the *protector of the republic*, protector of the democracy. (Agreement) Thanks to Otto Braun* and thanks especially to Karl Severing** the waves of both Bolshevism and fascism broke in Prussia. (Lively agreement) That was a *world historical* achievement. (Renewed lively agreement) History will one day tell what the little metal worker from Bielefeld did for Central Europe, indeed, for all of Europe. (Stormy agreement) That has to be said, because it is in the interest of Social Democracy, it is necessarily in the interest of the proletariat to combat the stupid legend that we have no leaders, that we had no men! (Storm. Bravo!) There is no need to feel ashamed – this happens to me all the time – when one talks with someone on the right and this man says: ‘Yeah, you have Otto Braun; we have no man like that’, and then, when someone here stands up and declares that such recognition is doglike servility! That is unbearable! We must learn to say such things and we should not let the fear [of asking the question]: ‘how do I say that to my functionaries’ hold us back! (Lively agreement)

Now, while I’m on the subject of Prussian politics, let me say one more thing. After Severing’s departure we were very concerned about his replacement. These concerns are now gone. We are pleased to have found an excellent successor to Severing. He is doing an outstanding job and you will understand that the Prussian comrades will have to reject resolutions that aim to defame a man in such high office. (Lively agreement) You can’t carry out an election campaign in this way and you can’t turn to the masses if you are tearing yourselves down. (Stormy agreement) Vienna is a stronghold in the Social Democratic camp; but Prussia is a proud fortress in the camp of the republic, and our task can only be to make it into a stronghold in the camp of socialism. (Renewed stormy applause. Agreement) When one reads some resolutions, one could think that the proletarian class struggle’s most important task in Germany is to overthrow the Prussian government. (Very true!) No, the most important task of the class struggle in Germany is *to overthrow the right-wing government*. (Exactly right!)

How do things stand in the Reich? What is the situation regarding the coalition? First the negative! It is a truism that appears occasionally to be forgotten, that every state must be governed. When we declare that under no circumstances will we participate in governance, than a government will

* Otto Braun (1872–1955) served as the Social Democratic Prime Minister of Prussia from 1920–32.

** Karl Severing (1875–1951) served as the Social Democratic Interior Minister of Prussia from 1920–6 and from 1930–2. From 1928 to 1930 he was the Reich Minister of the Interior.

form consisting of Social Democracy's opponents. (Agreement) Of course that can happen. I also believe that a political struggle reaching its peak creates a situation making a coalition government less likely, but we don't want to relieve the burden of responsibility from those people for uniting against the working class. (Exactly right!) It means letting the Centre off the hook if we would say: under no circumstances a coalition government in the Reich! (Agreement) That would also mean at the same time declaring that the German Nationals must remain in the government. (Renewed agreement) I must admit that with such a declaration I would have no idea of how to carry out a political struggle out there among the masses. (Very good!) This sloganeering, with which we repeatedly want to festoon ourselves, is a fate from which we must finally escape. Earlier, under the authoritarian state, it was perhaps not so important how the text of a resolution or an essay read. That was a time during which we had no political influence and could not take on political responsibility. Today, when we must pursue policies that determine the political will of the state – because Social Democracy is a part of the state and if this were not the case it would be a wholly different state with a wholly different will – the greatest mistake we could ever make would be to play the game of our opponent and coin the phrase that under no circumstances are we willing to take on the responsibility of governing. (Lively agreement) No Social Democrat can shut his eyes to this. Therefore, we have good news that today nobody stands up and says that he is against coalition politics in principle. If the issue is *tactical*, then you don't want to bind yourself for all future cases and you must affirm *flexibility*.

As long as I am talking about forming a government at the Reich level, let me briefly discuss an issue that stands at the centre of our interests and at the centre of power politics: the issue of the *Reichswehr* (the army)! Our position regarding the military has fundamentally changed! Before the war we were principled opponents of the standing army and put forward the demand for a *militia*. We have not yet come to a decision about this demand. We have the urgent desire that the International, which has appointed a commission on this question, first discuss this matter. I make no bones about it, I am – and I believe that the majority of the executive is as well – today *an opponent of the militia system*. (Bravo!) This is because, with the completely changed techniques of war fighting, the militia system – and the French example shows this clearly – represents the strongest form of military build-up that one can imagine. (Agreement) If that is the case, then we cannot reject the *Reichswehr* in principle. (Very true!) That the *Reichswehr* is in itself a military system to which we, under certain circumstances, can resign ourselves, presupposes that *disarmament*, which today is very one sided, becomes international. (Exactly

right!) Our policy does not aim to expand the Reichswehr into a militia, but rather we think that the strengthening of democracy, especially the development of Social Democracy's power, will create the conditions under which *international disarmament* can be carried out. Instead of fighting against the Reichswehr, we should fight for the Reichswehr in order to make it into an increasingly reliable instrument of the republic. (Very good!) But that means that the Reichswehr must on the whole have a view of the republic similar to that of the police force (Schutzpolizei) created by Severing in Prussia. Do you think that is a matter of legislation or implementation? Do you think that, if Herr Gessler* or Representative Brüninghaus had ruled for years in Prussia instead of Severing, the police force today would be a reliable instrument of the republic? The Reichswehr question is not one that can be resolved legislatively. It will, rather, be a matter of taking control of the administration. (Exactly right!) It will depend upon the Reichswehr Minister implementing the policy. That is, again, one of the great tasks whose fulfilment is only possible when grounded in a flexible tactic.

Yet another word on this matter! We have recently been bombarded by attacks from so-called radical pacifists. They tell us that we have to reject mandatory military service and enter into a general strike. Let me be very clear about this. After the experiences of 1914 – they were bitter enough for each and every one of us – I think these discussions are an idle game of fantasy! (Lively agreement) Whoever has experienced the outbreak of war knows how mad-deningly utopian it would be to rely upon the actions of individuals, such as the rejection of the draft, to accomplish anything, or on the possibility of organising a general strike, perhaps nice and calmly via a circular from the party executive. (Amusement) No. If the pacifists want something reasonable, then they should graciously support our struggle. (Lively agreement) Our struggle aims not to wait until war breaks out, but rather to carry out a policy that makes war impossible. (Renewed, lively agreement) That is the problem and that determines our attitude toward the League of Nations. The League of Nations can become an excellent means of preventing war. But again that depends on our growing more powerful in individual countries and increasingly influencing international politics. The task of socialist foreign policy can be summed up very briefly: courts of arbitration, disarmament and international agreements through the League of Nations, and the creation of international law limiting the sovereignty of individual members of the family of states.

* Otto Gessler (1875–1955) was a leader of the German Democratic Party and served as Minister of Defence in a series of Weimar cabinets from 1920–8.

Now the result! If the situation is as I have described it, then our first task is and remains the one formulated in the *Communist Manifesto*: to elevate the working class into a political party. For us, that means eliminating the reality that thousands of proletarians are not in our camp. When we look at the German party system, then we have to recognise that it is only possible, because so many strata – that belong to us – voted for the bourgeois parties in the last election. (Very true!) Take the German Nationals, perhaps the party most hostile to workers anywhere in Europe's big cities. Before the war the Conservatives were limited to East Elbia. There was hardly a large industrial city where they even ran candidates. Today the German Nationals are the strongest bourgeois party in Hamburg, Leipzig, and many other large cities because thousands of proletarians, real workers, have voted for them as a result of the confusion [caused] by the inflation and the experiences of the post-war period. Detaching them is an important task. Take the *Centre*! The Centre's whole power rests upon [the fact] that in Germany we have something that exists almost nowhere where a strong workers' movement exists: the division of the trade union movement along Christian and free trade union lines. I have shown how this split has become outdated and no longer makes sense, and how the social outlook and goals of both groups must be the same. We must repeatedly ask the Christian workers: why is the Association of German Industrialists not divided and why is there no split in the Agrarian League? You speak of a feeling of Christian solidarity. But what is the difference between the politics of Catholics like Thyssen, Klöckner, and so on, and those of Protestant capitalists? There is virtually none. At most Thyssen and Klöckner have it easier sometimes with the workers, because here the political community weakens the fighting strength of the Christian workers in such enterprises. As long as Christianity fails to convince the *owner* to make concessions in class struggle, why should it serve to weaken the class struggle of the workers? Thus, it is essential to constitute the *whole* working class as a political party. I have shown the direction of economic development and that it increasingly puts the problem of socialism on the immediate agenda of the working class. I have shown how the reciprocal interaction between the state and economy must become ever closer and I've shown how significant politics is for the destiny of the workers, hence, the necessity for the proletariat to *conquer state power* in order to finally achieve socialism.

We know the way. We know the goal! The prospects are good. The right-wing government of the German Nationals and the cooperation of the other parties mean nothing other than the *self-unmasking of the reaction*. It is very useful that the proletariat has seen what it means to have voted German National and bourgeois.

The unmasking of the reaction is accompanied by the *self-destruction* of the Communists. The curse of Halle on the Communists has been fulfilled. At that time I told them: you will go under! You will either attempt a coup; then you will lure the proletariat into senseless adventurist actions; then workers will be outrageously sacrificed without any impact except for the strengthening of the reaction. They launched a coup, workers died, and the reaction won. Or, I said at the time, you will not attempt a coup; you will attempt to work in parliament. What will you be able to do then? Then you become nothing more than a part of the socialist movement; at most you will use a pair of phrases different from those we habitually use. Then it is a *crime* to split and as a result you must go under!

Party comrades, *the Communists are going under* – it could take a while or occur more quickly. I understand that the unemployed, who have had to bear the destiny of unemployment for years, the desperate, who have lost their money in the inflation, and many, who during the war lost every other belief than that of violence, cast their votes for the Communists perhaps still out of blind instinct. But the Communist Party has no significance for the socialist movement. It has lost it. (Exactly right!)

Party comrades! A great victory for Social Democracy seems possible. I'll say it again: We know the way. We know the goal. When we fight under the electoral motto: *true* to the socialist principle, *unwavering* in our aim to conquer state power, but *flexible* in our tactics, then from the possibility of victory will come the reality of victory! (Stormy Applause)

Rudolf Hilferding 'Die Aufgaben der Sozialdemokratie in der Republik'. Rede auf dem Parteitag der SPD zu Kiel 1927, reprinted in Cora Stephan (1982), *Zwischen den Stühlen oder über die Unvereinbarkeit von Theorie und Praxis*, Bonn: Verlag J.H.W. Dietz, 214–36.

Karl Renner

Principle in Practice (1925)

The party executive's decision about the Hammerbrot Works has made a deep impression on the whole party. It has liquidated half a lifetime of worry and labour. Innumerable comrades, starting with the leaders of our movement to our shop stewards and individual party members, have made countless sacrifices to found this enterprise, maintain it, and enlarge it. And now the party is shutting the bread factory down, selling it, and handing it over to private capital!

That this is painful is understandable, but the decision was unavoidable. The party executive committee initially justified it with the current situation in the bread business and this justification is compelling. A party institution cannot enter into massive speculation in flour in the fall in order to secure the September flour price for the next six months. It cannot do that firstly because the party does not have the desire or the competence to do so and, secondly, because it does not have the means. The party institute cannot see the plant through the current crisis; it would have to lose billions in order to regain them later on. It does not have the money to pay out and it cannot consider covering the losses later on at the expense of consumption. One should shed what can't be maintained. The party executive did the right thing in bringing an untenable situation to an end in a way that does not damage worker-consumers. It could not expect them to pay for bread out of party loyalty – not now or more expensively later on. The works could no longer fulfil the functions that they were supposed to serve under the party's ownership. The party had to separate itself from this property, no matter how valuable it might have been to it historically.

Apart from his momentary requirement, however, there was a deeper reason for the decision. The founding of the Hammerbrot Works was, as we know today, a mistake, a serious error that could not be turned around. The only way to mitigate it was to get rid of it. The Austrian workers' movement is richer for the experience and pays for it with its severe disappointment. It could not be spared the latter. It is a positive thing that this experiment is ending without any material damage and it could have been much different! The mistake consists of the fact that the political leadership and the cooperative were linked in doing the firm's business. A political party can and should not get mixed up in the production of the cooperative or draw too close to it. The natural division of labour among the branches of the proletarian movement cannot be

violated without a cost. The Hammerbrot Works have brought both the party and Vienna's cooperatives nothing but problems.

The labour movement's opponents will want to see the sale as a defeat of the cooperative economy and of the cooperative idea. There can't be any talk of that. The cooperative economy assigns the leadership of certain enterprises to public bodies, to the national government, to the states, or to the communal governments (railways, gasworks, etc.), but never to a party. National and federal states and local governments are also economic entities; parties, however, are not. The cooperative idea assigns the leadership of economic enterprises to the consumers themselves and cooperatively organised economic associations. The cooperatives are economic bodies; parties are not. The party's decision damaged neither of the two ideas; instead their purity is restored again. Whoever says, 'Under certain circumstances it is the same party comrades who administer the communal council majority or the executive committee of the cooperative' does not have an adequate conception of the nature and responsibilities of an economic entity. Besides a thousand other things, we are talking in both cases about financial means and financial responsibility, not about persons. We will talk more about that later.

The first question that now comes to the fore is: 'How was this mistake possible?' It was in 1907 when Dr. Benno Karpeles lectured the party executive about the idea. It was at a time when the idea of cooperatives met with great enthusiasm in the Austrian working class. It was a time in which other countries were also participating and people talked about 'Epochs of enthusiastic experiments'. All countries have experienced these epochs. Austria was able to refer to Belgium as a model. In Belgium, too, one had founded similar establishments and the closest model was the 'Vooruit' bakery in Ghent, which comrade Anseele had brought to life. After its fight for reform, Belgium had an excellent reputation here. What in Belgium could succeed so well must also be possible in Austria! But one forgot that the situation there was actually exactly the opposite [of ours]. The Belgian labour movement at the time (like that of German Bohemia) *rested entirely on the cooperative movement* and was its ideal superstructure. The consumer associations there carried the party and this remains largely the case today. That is more likely than the party replacing the consumer associations and becoming the material basis for the cooperatives. This misunderstood Belgian model was attractive. There was also an additional special reason: The Austrian party had found itself for the first time in a financial crisis. The persecution of its press, arrests, and government machinations had buried the young movement in unbearable debts. It seemed a good idea to create income for the party. That is how the enterprise was justified. It was, nevertheless, still a mixed enterprise. One-third belonged to the party, one-third to

the trade unions, and one-third to the cooperatives, which was reflected in the selection of its three associate leaders: Sklarek, Hanusch, and Dr. Karpeles. Managing the business, thus the cooperative side, was reserved for Dr. Karpeles.

One got down to work with enthusiasm. Loud propaganda got the capitalist competition on its toes even before the plant was established. The Christian Social administration thwarted the construction of the plant on Vienna's soil and it had to flee to Schweschat. Meanwhile, this opposition from the enemy camp was not alone. The public heard little about it, but the administration of the First Lower-Austrian Workers' Consumer Association protested passionately against this project. This consumer association, the predecessor of the current Consumer Cooperative of Vienna, had expanded its own bakery a short time before and now saw it threatened. And not only that! It objected based on the principle that such an enterprise, set up without a cooperative foundation and based on retailers, severely damaged the cooperative ideal and would block the development of consumer associations. It was disastrous not to listen to the Consumer Association. It could not decide to close its own bakery, although it faced competition from the party's factory. Because the director of the Hammerbrot Works was at the same time the Business Manager of a large wholesale business, an underground war emerged that extraordinarily limited the development of cooperatives. In addition, because the Hammerbrot Works were founded without substantial capital and needed capital subsidies, the wholesale firm, itself a new institution, had to make extreme efforts for many years in order to support the Hammerbrot Works and had to disregard the needs of the Consumer Association. This severely embittered the provincial consumer associations, especially those of German Bohemia, and they only went along with the wholesaler with great reluctance. Just before the war, our cooperative movement found itself in a threatening situation. It was exhausted and groaned under its burden, while the Hammerbrot Works were not competitive.

The war gave food producers of all kinds unexpectedly great significance. In place of the government authorities, which failed completely, the consumer associations like the Hammerbrot Works took on the task of feeding the workers. In these circumstances the Hammerbrot Works overcame all difficulties and developed into a powerful enterprise. The party and the Vienna executive now hoped that the promises that had been presented to the political organisation at the founding of the works would be fulfilled. Finally the political party would get the financial help that the Hammerbrot Works' founders intended them to deliver. Therefore the party asserted its claim to sole ownership, the unions expressed disinterest [in carrying on], and the cooperatives rejected ownership of a firm whose leadership stood in opposition to

their own principles. Thus, after the war the party became the sole owner and leader of the Hammerbrot Works.

That was the second mistake! The party and the cooperatives were equally invested in the firm. The cooperatives should have taken over the firm and attempted to then create its cooperative basis! The party should not have been allowed to take over a firm that would not redound to its benefit! For all that, both sides made different decisions and so burdened the party with a responsibility for which it was neither financially prepared nor morally called. The hope that the party could derive some financial advantage from the Hammerbrot Works proved to be illusory. *It never derived any type of material profit from the firm.* The revenue that came in had to be used for investments in order to make up for the original disadvantage of the location in Schwechat. If the firm had delivered a profit for the party, its situation would not have improved, because it would be just as unbearable for a political party to earn a party tax from the bread consumption of the masses. Recognition of this had over time penetrated into the circles of the party executive. One simply waited for the opportunity to liquidate the mistake of 1908.

Now the question arises: Why didn't the wholesaler and the cooperatives take over the plant? That would have been difficult financially but not impossible. The Labour Bank had the means to provide the party with money to pay for the separation, and the wholesaler was certainly strong enough to survive the current crisis in the bread market. Admittedly, in the end there was not enough time to summon the representatives of the cooperatives to get the permission of so many participating entities. But I am certain that this effort would have failed *for reasons of principle*. I'd like to address that now.

The men who lead an enterprise never make decisions alone. Legal forms and the locus of responsibility are not minor matters in doing business. The 80-year experience of the English trade unions provides us with clear direction on exactly this point and the experiment with the Hammerbrot Works only confirms it. It will be useful to discuss these cooperative principles at length, above all to show that these principles are not bloodless phantoms, but are derived from rules growing out of business practice, which one cannot set aside without paying a price.

The supreme lodestar of the cooperatives is economic democracy. The consumer himself must be a free and equal member of those organisations that supply him with food, and that means that he fundamentally must be concerned with his economic needs and must co-administer his economic establishments in the forms that the cooperative organisations have to offer. A capitalist enterprise serves an anonymous, indeterminate clientele, which has no rights against it. It has to attract this clientele through advertising and it has

to hold on with all the external means that the competition imposes on it. The clientele cannot influence the business in any other way besides buying or staying away. On the other hand the clientele has no financial responsibility for the business; it comes and goes as it likes. The firm's capital is not its capital. As so it is not concerned about the firm's profits or losses. The relationship between the enterprise and the clientele is a purely external one, as between government authorities and subjects. If the firm is able to achieve a monopoly position, then the individual customer is as helpless as the subject is against absolutist state power.

Economic democracy consists not only of the fact that the client becomes a member [of the enterprise], that a general assembly controls the enterprise, and that the latter is administered by directly or indirectly elected organs. It consists also and above all in co-responsibility for the finances. The member invests his share in the business and this share is the basic capital with which the firm operates. Whatever happens in the association is mainly a concern of the member who has risked his share. This circumstance creates a situation that initially is thought of as an ethical matter but it becomes a material one. The initially ideological interest to replace the private capitalist economy with a cooperative one, to eliminate private profit, and to educate the working class to be its own boss, is invigorated and strengthened by immediate material interest. The 'cooperative' is no longer a simple slogan, no longer a mere idea, and no longer a mere experiment. It becomes a responsible economic enterprise through the participation of all who have an immediate material interest in it. At this point an analogy with the trade unions is appropriate. The syndicalist idea coquets with trade union organisations where membership is small, the idea is everything, and material responsibility is eliminated. The experienced trade unionist has long been able to see through this kind of organisation and rejected it. Above all, the economic struggle has to be serious and it must be economically funded! The same is true with the cooperatives. I know that many comrades have sacrificed their lifeblood for the Hammerbrot Works, but meanwhile the clientele was always like quicksand and had never been won over to form the cooperative's base.

Besides this ethical-material tie to the clientele, an additional economic factor characterises the cooperative movement. The cooperative's own production is *not production for the market* or the production of goods for the accidental, indeterminate buyer. It is, rather, to meet need and that is the point that fundamentally differentiates it from the capitalist way of doing business. The capitalist produces and afterward looks for the market; the cooperative operator organises the consumers and covers their previously ascertained needs. If this need is so large that covering it in one of his own plants is econom-

ical, then he establishes a plant. He is then to a very high degree independent from all competition and from all circles. He does not need the external guise and advertisements of the capitalist. Distanced from the perils of the market, *under normal circumstances the cooperative operator also produces more cheaply*. Covering need is in principle the opposite of anarchy, which characterises the capitalist mode of production. For example, the circumstance that the entire product of an English wholesaler is sold on the day of its production – this fact alone has placed the English wholesale firm in a position to withstand the difficult economic crisis without severe shocks.

This business principle has not become a reality here because the blinding temptation of the Hammerbrot Works seduced many cooperatives to deviate from the principle of meeting needs. We have inherited institutions of this type and we must keep them going; we can only help ourselves by gradually creating a cooperative basis for them. That is succeeding to a certain degree, gradually in most cases, but it could not succeed with the Hammerbrot Works, which has been built up on the basis of an entire network of retailers. Not just taking ownership of it, but essentially transforming it into a cooperative – for that it was no longer a suitable enterprise.

Finally, it should not be overlooked that members' financial responsibility is matched by their sharing in economic success. Whatever profits a cooperative generates belong to the members. They own it either commonly in the form of the property belonging to all the members – it is social wealth with the best of purposes – or they receive the profit in the form of dividends paid to the individual. These claims are all legally and numerically recorded; the social and individual economies are legally linked together. The enterprise is from the ground up economically and socially constructed and, indeed, given economic democracy, differs from autocratic capitalism. And thus it is also suited for educating the worker masses both in the political sense for democracy and in the economic sense for a cooperative economy. All of that cannot be expected from an enterprise that structurally and methodologically took its point of departure from capitalist conceptions and can no longer separate itself from them.

It will be useful when all the party members, the leaders like the followers, come around to the insight that economic organisations are subject to different laws than political ones. These perceptions have impelled at least some of the cooperative operators who could be asked *not to raise objections* to the sale. On the other hand, however, the party public must consider one thing: The political party loses its freedom of movement when it simultaneously leads economic enterprises and especially on a capitalist basis. In that regard we are not thinking here merely of freedom of movement in relation to the bourgeois

public, but also in relation to the ranks of the workers' movement itself. The unions and the cooperatives lead the economic struggle against the capitalist economy with economic means. They conduct it from two opposing ends: the unions replace the wage slave with the free worker, who is aware that he fulfils a social function through his work; the cooperatives want to replace the capitalist owner with a social functionary, who leads the economy with a mandate from and in the interest of the whole. The struggle touches the opposing poles, the wage earners and the capitalists, reshapes both but does not transcend them. This situation requires us to come to two conclusions. First, both *the unions and the cooperatives* within the whole movement must demand *greater autonomy* than they now possess, and, second, the *party organisation must remain neutral* in relation to both and, while smoothing out conflicts, be free of suspicion that it has any business interest of its own. This complete lack of prejudice can be challenged if the party itself occupies a powerful function as a business owner. If it does that as an operator of enterprises producing propaganda, such as newspapers, print shops, and bookstores, there is nothing objectionable. It is different, however, with big factories, above all in the large-scale production of food. Every party comrade who imagines himself in the party executive over the last few weeks will be happy that the executive has freed itself from an untenable position. Most valuable is that the party finally has a free hand politically. But one lesson should serve us for the future: The proletarian movement, through the experiences of all countries and through the principles upon which they rest, must be more precisely studied and more strictly safeguarded both internally and in terms of its separate parts! We have grown mightily. Growth is always segmented and each segment, for the whole to flourish, demands an effective life of its own.

Karl Renner, 'Das Prinzip in der Praxis' 1925, *Der Kampf*, 18, 2 (February): 41–5.

PART 4

1928–34: Collapse

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Introduction to Part 4

Leon Trotsky once described the Austro-Marxists as men who ‘knew a great deal’ and ‘were capable, within the limits of political routine, of writing good Marxist articles’. At bottom, however, he regarded them as self-satisfied ‘philistines’, who were not revolutionaries, indeed, ‘they represented the type that was furthest from that of the revolutionary’.¹ Trotsky’s personal invective against all of Austrian socialism’s leaders is harsh, but he was right that they were not revolutionaries in the sense that they were willing, as the Bolsheviks were, to take virtually any action to transform the world. The Austro-Marxists, like Social Democrats throughout Europe, certainly wanted to create a new, socialist society but they generally rejected violence as a means of effecting change and hesitated to resort to violence as a defensive measure when they felt that they stood little chance of victory.

Historical discussions about the failure of Social Democracy to stem the rise of fascism in Italy, Germany, Austria and elsewhere have identified myriad and often controversial objective and subjective explanations for its defeat, but one should be cautious when focusing on the flawed personalities or lack of courage of particular individuals. The Austro-Marxists certainly did not lack the latter. From all reports Otto Bauer was a brave soldier and Friedrich Adler clearly understood the personal consequences that shooting the Prime Minister entailed. During his political career Hilferding was often prepared to speak amidst hostile opponents and, as the threat of fascism loomed, few public venues were really safe from violence.

The Austro-Marxist political intellectuals discussed here, like most of their counterparts across Europe, were essentially decent men who shunned violence. As responsible political leaders, however, they also recognised that violence could be a necessary political tool to effect change or protect the democratic order. Under the conditions prevalent in interwar Germany and Austria, Social Democratic leaders faced the difficult problem of judging when their authoritarian enemies had so undermined the republican order – their own creation – that violent action was necessary to save it. That they hesitated to shed blood in the face of enemies who had no compunction about it is understandable, but it had tragic consequences for which Europe paid a heavy price.

Following the fall of Herman Müller’s cabinet in the midst of the deepening economic depression, no German cabinet was able to construct a governing

1 Trotsky 1975, pp. 213–14.

majority. Instead, over the next three years the reactionary German President, Paul von Hindenburg, appointed a series of increasingly authoritarian governments, which, ruling by emergency decree, worked to undermine the republican order. The elections of September 1930 illustrated the growing polarisation of the German polity with the Communists increasing their share of the vote to 14 percent (for 77 seats) and the Nazis advancing from 2 percent in 1928 to 16 percent (107). Although the SPD held its own with 143 seats (down 10 from 1928), 30 percent of the Reichstag was now in the hands of anti-republican parties. With the bourgeois parties largely uninterested in cooperation with the Socialists, the SPD found itself isolated. Fearing that new elections would fuel the radical parties' growth, it chose, instead, to tolerate a reactionary minority government led by Heinrich Brüning.

Over the course of the next three years Hilferding and the German Social Democrats cast about for a parliamentary solution to the crisis, but in vain. As Nazism continued to flourish – illustrated by its ability to more than double its electoral support in the elections of July 1932 – and conditions akin to civil war spread in the streets, the Social Democrats publicly put great stock in the formation of the Iron Front, an alliance of the party, unions, the paramilitary Reichsbanner, and Social Democratic sports clubs – to defend the republic. But their superficial confidence hid private fears. As Hilferding wrote to Kautsky, the worst thing of all 'is that we can't say anything concrete to the people about how and by what means we would end the crisis'. Capitalism had been shaken, he thought, 'far beyond our expectations', but no socialist solution was at hand. The growth of the extremist parties and the deepening political crisis indicated 'the struggle to preserve democracy alone does not satisfy the psychological needs of the masses'.²

The SPD leadership hoped that it could ride out the storm by keeping the Nazis out of the government until the economy recovered and took the wind out of the fascists' sails. Following the fall in Nazi support in November 1932 (from a high of 37 percent in July to 33 percent), Hilferding thought it was possible the party might actually succeed, but Hindenburg's decision to appoint Hitler as Chancellor on 30 January shattered that illusion. When the Social Democratic leadership then decided against calling a general strike and to wait until Hitler breached the constitution before taking action, they played directly into the Nazi leader's hands. As quickly became clear, over the course of the next few months, the Nazis would combine the skilful manipulation of parliamentary means and terror to destroy first the left and then all other independent groups.

2 Hilferding to Kautsky, 2 October 1931, KDXII, 653 (Institute for Social History).

The Austrian Social Democrats' response to the fascist threat mirrored that of their German comrades. Following Seipel's resignation from the Chancellorship in 1929, the Christian Socials headed a series of conservative governments in which the Heimwehr became increasingly important. It should be borne in mind that the Christian Socials and the Heimwehr were part of a conservative Catholic, Austrian nationalist movement that opposed both socialism and Nazism. Christian Social leaders looked to fascist Italy for support against Germany and as a model for the corporate reorganisation of society. As the economic crisis deepened in Austria and the Christian Socials found their electoral support slipping and that of the Nazis growing, the party felt hemmed in on all sides and increasingly inclined to seek an authoritarian solution.

From 1927 through the election of 1930 the SDAP remained Austria's single largest party with 41 percent of the vote (and over 60 percent in Vienna), but it was unable to form a government of its own and had no allies in parliament. Through the early 1930s the party continued to focus on building its institutions and winning elections but, as was true in Germany, the onset of the depression began to undercut party and union membership, and organisational morale ebbed as the right-wing governments undercut workers' social security and political rights. Austrian Social Democracy's leaders continued to assert that the party, unions, and Schutzbund were prepared to act to protect the republic, but in practice they refrained from confronting the state.

A decisive turning point came on 15 March 1933 when the Christian Social government of Engelbert Dollfuss used a technicality to shut down parliament and refused to allow it to reconvene. At a meeting just 5 days before this event Otto Bauer had given a rousing speech exhorting his comrades, like their revolutionary predecessors of 1848, to swear 'to sacrifice our lives for freedom'.³ But instead of reacting to the government's move by calling a general strike and sending its armed Schutzbund forces into action, the SDAP leaders drew back from the brink, fearing that the state would crush the workers' organisations. Meanwhile Dollfuss did not hesitate to issue decrees banning the Schutzbund, cutting federal financial support for Vienna, banning strikes, overturning the right to collective bargaining, reducing unemployment payments, banning May Day rallies in Vienna, banning the Austrian Communist Party, and censoring the press. Beyond verbal protests the SDAP took no action.

While some on the party left, such as Ernst Fischer, called for a more offensive tactic against the regime, others, like Renner, urged more negotiations to reconvene parliament. At the party congress of September 1933 Bauer argued

3 Quoted in Hanisch 2011, p. 286.

that there were four government actions that the SDAP could not tolerate: the imposition of a government appointed commissar in Vienna, the dissolution of the unions, the banning of the party, and the imposition of a fascist constitution. Meanwhile, the party drifted as morale and membership declined and government provocations continued. Instead of determined opposition, the SDAP continued efforts to negotiate with the government and Bauer considered how the party could come to some kind of accommodation with Dollfuss.

The Dollfuss regime, however, had no intention of coming to an arrangement with the SDAP and confrontation was only a matter of time. It occurred, finally, on 12 February, when Richard Bernaschek, Linz leader of the now underground *Schutzbund* and extremely frustrated with the party leaders' passive policy, decided to resist a police raid looking for weapons with machine-gun fire. Bauer, *Schutzbund* leader Julius Deutsch, and Party Chair Karl Seitz did not favour this action, but felt they had no choice but to support it by mobilising the *Schutzbund* to fight and calling a general strike. Poorly planned and executed, they stood no chance against the military power of the regime. After four days of fighting in Vienna and other cities the government's victory was complete. The SDAP was outlawed, its property seized, and many of its leaders arrested. Bauer managed to escape over the border to Brünn. He never returned to Austria.

While the German Social Democrats' capitulated without a fight, the Austrian Social Democrats' taking up of arms, despite its failure, became a symbol of heroic resistance to fascism. In both cases, the Austro-Marxist political intellectuals in the leadership understood that fascism meant brutal tyranny, yet they hesitated to unleash violence because they feared it would lead to much bloodshed and defeat. Instead they hoped to use the parliamentary systems they had created to avoid the worst. Their hesitation was understandable, but their defeat was more disastrous than anyone at the time could know.

Max Adler

A New Approach to Our Politics? (1928)

I

As is well known, at the last party congress comrade Karl Renner demanded a 'new approach to our politics', the goal and basic principle of which is not so new at all. That is because it is about reformism's favourite old idea about the external and internal readiness of the proletariat to form a coalition with the class enemy. Only the packaging is new, because what the old revisionism – still leaning heavily on Marxist theory – attempted to legitimate as a product of the reduction of economic class antagonisms, is now deduced without concern for Marxist appearances as a mere ideology of law. The modern main argument for the coalition idea and coalition policy is that the proletariat has become such a large and important class in the modern state that it has a 'right to power in the state' owed to it in proportion to its social significance. And it is a strong sign of the lack of Marxist education among the contemporary masses of the proletariat and of the latter's related lack of revolutionary class-consciousness that this argument is among the most effective in the agitation in favour of preparing for a coalition. By turning to the naïve legal consciousness of the masses, it exercises a corrupting influence on large parts of the latter. It is not surprising, therefore, that it formed the high and concluding point of Renner's speech at the party congress. 'I say', according to this speech, 'the participation of the working class in the state is not something for which one must beg, it is your legitimate right! Participation in the state can hardly be denied to a class that is so strong, so tightly organised, so conscious of its goals, and experienced in administration. We have to demand it as our right and not as a gift from Seipel'.

This doctrine of the legitimate right of the proletariat to a 'share of state power' sounds good to the worker because it is natural and correct for the worker to claim this right for himself. But it is not so natural for the ruling and propertied classes, which up to now have reserved and will continue to reserve this right to themselves, to be just as convinced that the proletariat has the right to a share of power. Already one sees here that this whole ideology of right *presupposes a particular concept of the state*, namely that of the state as a *form of community* which accords to each his share, but which in no way conforms to that of the real, historical state. In this state every class has only as much of a share of power as it can gain through its strength and, when necessary, [the use] of force. Here, in the truest sense of the word, violence trumps right, in other

words class power creates the law. It is no wonder that Renner and the whole new reformist current cannot deal with Marx's concept of the state, according to which the state is the organised rule of the propertied classes, and asserts one must 'change one's views' in this regard. In place of the 'general quotations of Marx and Engels read somewhere (!)', one must grasp the new and particular and not always repeat the old. That is 'true' Marxism. And what is new? That the state is not a 'concept', but something real, a regional body organised at the federal, state, and local level so that the state and local administrations are also 'a part of the state'. If, therefore, the proletariat dominates or has great influence in these administrations, then the authority of the state no longer belongs solely to the possessing classes, but rather it is divided between the classes. Vienna, for example, is such a part of the state. Will anyone assert, exclaims Renner, that our city councillors in Vienna constitute an executive body of capitalist society?

If that is the 'new and particular' that we have to learn then one could raise some questions that are even more particular. With his designation of state and local governments as a part of the state, Renner disregards the fact that Marx's principle, according to which the government is the executive organ of the ruling class, has to do with the institution of national government (*staatliche Regierung*), meaning that it has to do not only with the maintenance of a certain legal order, but also with the support of the economic system, the capitalist system. With the state and local governments, on the other hand, we are talking primarily about mere administration within this nationally (*staatlich*) protected economic system, and all the sovereign rights that these bodies possess can be constitutionally exercised only within and not against the fundamental basis of the state. They are, therefore, executive organs of the state system. If one disregards this, then one can call any organisation and any association a part of the state. Why shouldn't one then, for example, raise the following question against the Marxist conception of the state with just as much justification and irony: Are the executive committee members of a gymnastic association, 'strapping deep-knee-benders', also executive organs of capitalist society? Whereby, incidentally, it follows that this jocular question about the supposedly obsolete Marxist conception of the state contains a good and profounder meaning. This is because, when it comes to such associations or organisations, it does not treat the exercise of sovereign rights, as do national, state, and local governments. But, nonetheless, there is a huge difference between a bourgeois and a proletarian gymnastic club in that the latter, if it really fulfils its proletarian tasks, cultivates a revolutionary spirit in its members and must, therefore, bring them into an internal conflict with the dominant state system, while the former glorifies bourgeois ideology, a patriotic outlook, and

nationalist goals, in short it must and will cultivate the psychological readiness to support and defend the established order. And thus we see how every small executive committee of a bourgeois gymnastic club, singing club, or savings association can really become an executive organ of the possessing classes, and most of them are, even if they are not aware of it. A socialist community, of course, is not an organisation to secure the rule of the possessing classes, because today *it is an organisation for the fight against them*. One should, therefore, speak of a proletariat rather than a socialist community, because the latter signifies the achievement of a community without class antagonisms, while the so-called socialist community is a community *within the capitalist state* and, therefore, even on its own territory, is hemmed in by the limits and the needs of life in capitalist society. If we accept Renner's 'new truth' that the community is also a part of the state, then we should not forget the old truth that even a community dominated by Social Democracy is *still a part of capitalist society* as long as the state is a bourgeois state. From this interconnection of a local proletarian administration with the tasks and requirements of the capitalist economy, from which it cannot withdraw, results the often-tragic abundance of contradictions in the activity of a socialist community in a class state. Even a socialist community must, to a very large degree, maintain and support the capitalist political order and the capitalist economy it has inherited, as long as the proletariat is not yet strong enough to realise its *own goals*. In this way it, too, becomes the executive organ of the ruling economic interests, which makes for plenty of contradictions in the various branches of communal politics (credit policy and bond policy, for example), about which the functionaries of a big city administration know how to sing the blues.

The new thing, whereby Marx's conception of the state should supposedly become obsolete, in principle is nothing other than the reality of the democratic advance of the past decade that resulted from the workers' conquest of the franchise. Marx, however, had not only designated this new thing, the achievement of universal suffrage, at the time of the *Communist Manifesto* as the main political demand of the class struggle, but Engels, who survived him by twelve years, had experienced this democratic advance, especially in Germany where it was expressed in the Social Democratic Party's victories in the Reichstag elections. He welcomed them with such enthusiasm that he believed the German proletariat would conquer state power along this path before the end of the nineteenth century. But, nevertheless, neither of the two saw the growing influence of the enfranchised proletariat on the state as a reason to change their conception of the state. And there really is no reason to do that. That is because the political advance of the proletariat does not mean, as Renner says, a sharing of state authority between the possessing classes and the

proletariat so that they, ultimately, like two owners of shares in the firm ‘Bourgeoisie and Proletariat, Inc.’, share direction, profits, and risks. On the contrary, it means only *another jumping off point in the class struggle*, a storming of the first line of trenches, and a temporary war of position in the second. If one wants to call that sharing of state authority, when one part, the proletariat, takes a share of power from the other part, the bourgeoisie, but then must also pay close attention so that it is not taken away again, then we don’t want to argue about the word, even when it is still so inappropriate and misleading, if Renner and his followers link it to the meaning just outlined. But that is not the case since, on the contrary, the word is supposed to mean the sharing of state authority in the ‘new’ sense, to wit that we should no longer repeat the wisdom of the old Marxist ‘citations’, according to which the state was and is the organisation of the class power of the possessing classes, but on the contrary, we must learn anew how the state, through the sharing of power, has become the basis for the joint governance and administration of all classes. And thus we also hear in Renner’s speech at the party congress the new (?) good news about the state, which, indeed, sounds completely different than the old wisdom of Marx’s brochures with its evil class struggle against the state: ‘The most important type of social community today is still the state. It is the single form of community, which makes laws (and we want to make laws), which administers (and we want to administer), and which dispenses justice (and we want law and justice to be dispensed)’. One sees the consequences to which Renner’s idea about the sharing of state power lead. From the state comes the most important social community. The great idea of Marxism, that the state is only an historical form of the social community and its class antagonisms, and that it, therefore, represents only the hitherto existing, antagonistic form of the social community is, as we see, lost here. The same is true of the Marxist principle that this historical form can and must now finally be replaced by a higher form of social community, by the *classless society*. The internal contradiction of Renner’s whole conception is so great that it is recognisable in the text of his sentence depending on the stress placed on the wording. Hence when Renner says, ‘And we want to make laws, we want to administration, etc.’, the emphasis lies on *want*. That leads then to the ideology of law (Rechtsideologie): We want to pass laws and to administrate together with you, [our] class enemies. In this way a bridge is constructed between our class enemies and us, leading to understanding between the classes. It just depends upon us not making crossing the bridge too repulsive for our opponents. But this beautiful mirage is immediately torn asunder as we read Renner’s words with a different emphasis: We want to pass laws; we want to administer; we want to dispense justice and to determine what justice is. One immediately sees the bridge col-

lapse, because what the proletariat wants and must want: the abolition of the capitalist mode of production; the fulfilment of democracy with the class will of the proletariat as the sole means of its achievement; and the conquest of state power as means of abolishing the state and establishing a socialist society – is what the bourgeois classes do not want and for them is impossible. Recognising this, one sees immediately that for us the class state not only is still not ‘the most important’ type of social community, but rather today has become the greatest obstacle to the latter. As Engels noted in his old brochure, the capitalist mode of production has long stood in contradiction to the social function of the productive forces. This obstacle can only be overcome today when the proletariat, in sole possession of state power, wields it against all other classes in order to dismantle class society and ultimately to abolish it – this is the *dictatorship of the proletariat* on the basis of the democratic conquest of state power.

Renner is certainly right that law, administration, and the dispensing of justice are three functions of the state, although it is, of course, completely wrong to say that ‘these three functions, taken together, are what make up the state’. Renner, who otherwise so often asserts that the Marxist conception of the state is a mere ‘concept’, here follows completely the formal conception of the state in bourgeois state theory since Locke and Montesquieu, in which class structure, which determines the content and direction of the state functions mentioned above, is totally ignored. If one, like the political and philosophical theorist Professor Kelsen, considers the state merely according to its form, then one surely has the right to disregard the economic structure of the state and legal order. But when one treats the state, as we are doing here, sociologically or even just politically, then it will not do to look away from the class-related impacts of these functions by which the state and the proletariat have become historical opposites. And then there is the question of whether, as Renner says, ‘it is foolish to say that the state is hostile’. It would be folly if, as Renner claims they do, someone would conclude that because the state is hostile, one should ‘not touch it’. But, apart from the first epoch of rejecting the budget in principle, I don’t know of any Marxist who has demanded, or currently demands, that one should ‘not touch’ the state. Indeed, the old Marxist conception of the state, which we represent, implies that the proletariat must stand ever more strongly in opposition to the alien consciousness of the ideology of the state, but only for the purpose of conquering every one of its positions of power and using it for its own aims without being hindered by bourgeois legal morals and ideas of the community. *In opposition to this ideology of the state* we say, ‘don’t touch it!’ – indeed, distance yourself even more fundamentally from it. Conversely, as a result of this opposition to the state’s power, the proletariat will lay hold of the state with more élan and with more strength than would otherwise be the case.

II

Hence the vision of sharing state power, in which the latter is increasingly divided among the classes in an agreed upon way, while holding a middle line in the class struggle, is really only a 'concept' that has no historical parallel in reality. It is an illusion, which is only a modern version of the old naïve belief of the utopians in the possibility of all people of 'good will' achieving an understanding regardless of their class position. Therefore, it is characteristic for the resetting of this policy that it indulges in the continual issuance of appeals both to workers, to show their readiness to reach an agreement by moderating their élan and rhetoric in class struggle, and especially to the bourgeois classes to prove themselves smarter and better than their illiberal, scheming, and ambitious politicians. In the service of such appeals for a good, peaceful desire for understanding, Renner's legal idea moves into the foreground, i.e., the teaching that participation in today's government has already become the right of a class as large and as important as the proletariat, so that also the opposing classes, if they want to be just, cannot deny this right to the proletariat. At the same time, they are calmed by the thought: Nothing will happen to you. We are demanding 'only our right'.

This conception that the proletariat would have to be granted a part of the state's power from the dominant classes because that is its right is a completely utopian outlook, which is inferior to the bourgeois ideology of law whose form it bears. In this respect it is genuine natural law of the eighteenth century and in a certain sense only the direct revival of the famous question raised by Abbé Sieyès at the beginning of the French Revolution: 'What is the Third Estate?' As is well known, the question was answered as follows: the Third Estate is that Estate which through its size and importance is, in reality, everything in the state, but according to law it is nothing. Therefore, it has the right 'to become something'. But there is a big difference between the Third Estate's ideology of law and its peculiar revival, which one expects from the proletariat as the most successful new form of its politics. The Third Estate's ideology of law was an ideology of struggle, the form of its class struggle against the king, the aristocracy, and the church. It was the proclamation of *revolution* and not, like today, of coalition. According to Sieyès, 'The Third Estate must now see the direction in which both thought and action are moving and realise that its sole hope lies in its own intelligence and courage. Reason and justice are on its side; the least it must do is to assure itself of their full support. *No, it is too late to work for the conciliation of all parties!*'

One sees, in spite of its ideology of law or, better said, because the latter is only the language of its revolutionary struggle, a language which is very similar to that of proletarian class struggle and its Marxist mode of expression. On

the other hand, if once again the idea of the proletariat's right to power is asserted, this does not lead us to Sieyès language. He did not modestly call for a share of state power, but rather for the whole of it. For the fighting bourgeoisie, his notion of right was a call for the necessary break with the past, a call for the arming of hearts and minds for the decisive struggle against the old social order. In contrast, the new ideology of right means the spiritual disarming of the revolutionary class in the illusionary expectation that one can thereby purchase the disarmament of one's opponents – which they are not considering at all – while undoing decades of Marxist enlightenment work. The bourgeois ideology of right was the resolve of the Third Estate to go and actually mount the barricades, while the new ideology of right is only the wish to build a bridge, which in reality no one can cross.

The ideology of law has a corrupting effect especially on the workers, because every oppressed class describes their striving for power and freedom as demands for rights. But today one might term it as a sure result of Marxist social criticism, that the idea of right is a mere form into which each class pours its content so that what is right for one class by no means comes cheap to the others. At a time when the ruling classes everywhere regard it as their just right to shoot down the other class in the streets as agitators and dangerous criminals and are willing to act upon it, at a time when here in Austria the police who have done this have received the thanks of the republic from the Federal President with the agreement of all the bourgeois classes, it does not seem to me to be the most favourable moment for us to have to learn anew and to presuppose, that [our] class enemies will grant the proletariat the same rights that the latter claims for itself. As Marx illustrated in the *Communist Manifesto*, until now history has taught that all legal gains are achieved only through class struggle, not through an understanding among the classes. The latter would mean that a class in power, or one that believed itself to be so, would voluntarily give up a basic element of its power. And because this naïve outlook dresses itself up today in what appear to be very serious modern forms, it might perhaps be allowed to illustrate its real core through the modernisation of an old fable. Mice meet in a basement and enthusiastically listen to a speaker who says to them, 'We are many and there is only one cat. We all want to live. In our lives we have a right not to be bothered by the cat. It is our right that the cat does not sneak up on us, but should be audible when moving. Therefore, we demand our share of security; we demand as our just right that the cat wear a bell!' There is stormy applause, but the sneaky, inaudible cat suddenly leaps into the assembly with one movement and takes what he wants. The notion that the ruling classes will satisfy the rights of the proletariat and hand over power is exactly as realistic and practical as the expectation that the cat will put on a bell.

The thing that is unrealistic in this whole conception ultimately results from taking the idea of such an understanding among the classes seriously. If you ask a supporter of the coalition policy which ministries are most relevant to proletarian rights, most of the time one hears that a coalition does not make sense unless we at least get the Ministries of Defence, Interior, Education, and Social Administration. That we have a right to all that and more, such as the Justice Ministry, for example, is surely true, but will the others hand over such important government departments to us unless they have to? Does one seriously believe that the ruling classes, after using these departments for years in order to shape the military, the police and Gendarmerie, and schools, and the social administration in their own interest, will now be ready to negate their work and hand these posts or a part of them over to the proletariat? After all, why do we want to conquer state power and, as long as this is not yet possible in its entirety, at least take a part of it for ourselves? Do we want it in order to rule with others, or do we not want, rather, *to rule against them*? And they should help us accomplish that? Only someone who no longer thinks about the conquest of political power from a Marxist standpoint, in other words someone who no longer thinks in terms of revolutionary class struggle, and therefore believes that the proletariat has tasks in government compatible with those of bourgeois governance, can believe that compromise is possible here. The bourgeois classes think more like Marxists. They know that the proletariat is necessarily a revolutionary class and therefore they mistrust any appeals for a new coalition policy for which they have justified scorn.

Finally, if one thinks that the demand for understanding among the classes results directly from class struggle itself, because it cannot be disputed that there are situations in class struggle where the forces remain in balance, both Otto Bauer and I have repeatedly explained that nothing is more damaging than confusing a period of balance between class forces with one of stabilisation. The balance of class forces does not mean that class struggle comes to a halt. The balance of class forces in class struggle may be compared with two wrestlers who, unable to throw one another to the ground, stand propping each other up in apparent calm but [are actually] in the most difficult struggle. If one of the two wrestlers would get the idea that the moment to achieve an understanding with my opponent has now arrived and I should reach out to him for that purpose, he would at that very moment find himself on the mat because he would have given up his wrestling position. The proletariat can only protect itself from being cast down during a period of balance between class forces *by holding on to its wrestling position and on to its spirit*. And only the Marxist conception of the state, which needs no rethinking and

should not be forgotten, provides it with this wrestler's spirit. Here only the old spirit leads to new strength.

Max Adler, 'Neueinstellung unserer Politik?' 1928, *Der Kampf*, 21, 2 (February): 53–64.



Practical and Impractical Class Struggle (1928)

I

Karl Renner's article in the May issue of this magazine is somewhat embarrassing to me. It was not, however, because his arguments and his train of thought were so convincing that they would silence me 'and my tendency', but because one is helpless up against this ragbag of 'practical experiences' and 'simple facts', which Renner, with incessantly arrogant scorn, cobbles together against 'theory', while simultaneously claiming that these [experiences and facts] really constitute theory and the core of Marxism. How can one argue theoretically with a standpoint that even in relation to the assessment of theory is vacillating and contradictory? Renner begins by denoting experiences merely as means in the art of practical politics, whereby theory is rejected from the outset. Then he suddenly has second thoughts and praises this assemblage of practical experiences as real *science* in order, ultimately, to proclaim the actual principle of science according to Renner unperturbed by any critique of knowledge or any self-criticism. He says, 'I seek the facts which influence my activity, to clarify how I see them' (p. 149). Here we encounter the rawest empiricism, which Marx had already energetically combatted, namely, the opinion that facts, which structure science, simply present themselves for viewing in finished form and through 'observation' can be gathered up like you gather strawberries. *Scientific* fact is not, as Peter Altenberg says, 'As I see it',¹ but it is always something that already belongs to an objective context, thus it always explains something. It always presupposes a theory, and the sciences are never established other than in the simultaneous and reciprocal production process of theoretical ideas and experience. For thousands of years humans 'observed'

¹ Peter Altenberg was the pen name of Richard Engländer (1859–1919), an Austrian writer and poet. A promoter of impressionism and a member of the Young Vienna movement, in 1896 he authored a work entitled *Wie ich es sehe* (*As I See It*).

the movements of the planets in the sky, but only Kepler's natural philosophical idea, that the circle is the most perfect orbit, brought about the calculation of elliptical planetary orbits as the nearest approximation of this perfect route to the reality of planetary movement. And countless generations have 'observed' the fact that when you drop stones they fall to earth, but it was only Newton's theoretical idea of mass attraction, of forces acting over long distances, that led to the law of gravity and created thereby the modern understanding of nature, until Einstein's revolutionary ideas again began to completely change it. What is experience and what is fact is always derived from a theory, and 'experiences' are not infrequently reshaped by theory, just as the latter is by experience. Indeed, it is much easier to disparage theory as scholasticism, as book knowledge, and as Talmudism, and to verbally slander those seeking and finding the applause of thinking people, than it is to grasp the essence of theoretical work and its logical relationship to the ascertainment of facts. But our friend Renner does not complain about that, to him that is just 'scholasticism'. And he views all the exhaustive epistemological and methodological criticism in Marx's works, in Hilferding's and Bauer's older essays, as well as in my own writings as just unfruitful book learning. Renner hates such 'book learners' so much that he obviously has long ceased to read their books or in any case at least mine. There is one convincing proof of this. He calls me a typical representative 'of a dogmatic-scholastic deformation that treats the writings of our forefathers like a holy zealot treats the church fathers or the Talmud' (p. 145). He has obviously not studied a single one of my writings or he has largely forgotten them. Because otherwise his fact-hungry gaze would not have missed the fact that, since my foreword to *Marxstudien* (1904), I represent the broadest indifference to what Marx and Engels 'said'. And he must also know that precisely this is the main objection against me by both the communists and our bourgeois opponents, but sometimes also among some Marxist friends, who say my writings are more 'Adlerism' than Marxism. And really, if he had been familiar with my work and understood it, the great significance that I ascribe to Kantian thought in my construction of Marxism should have hindered Renner from painting this distorted picture. Some serious critics of my works have already indicated that, by appealing to Marx, I have made it harder to comprehend what in my outlook is unique and advances us further. To me, however, it depended and depends upon the maintenance of theoretical continuity in the development of science since Marx. But for Renner the external moment of connection to Marx is enough to label me a dogmatist. Unfortunately, it is a 'fact' that some contemporary Marxists can only exist without appealing to Marx and they regard any such appeal as a 'scholastic' disturbance of their 'genuine' Marxism.

Now one can understand why I regard it as a thankless task to argue with a bundle of 'facts' about which Goethe's word applies: 'Then the parts in his hand he may hold and clasp, But the spiritual link is lost, alas!'^{*} Aside from the groundless and not very tasteful fulminations against 'Talmudism' and 'book learning', one encounters scarcely a theoretical thought providing a sense of direction. Essentially the whole article is really just a temperamental *political confession of faith* in a subjective standpoint of action and not in the objective of knowledge. It really is about 'Sie volo, stat proratione voluntas' (That's how I want it. My will trumps every theory). With such a confession one can no longer have a theoretical discussion, on the contrary one can only illustrate it as such and criticise [it] from one's own standpoint. It is questionable whether that is still even necessary from the socialist standpoint after Renner's confession met with the happy *endorsement of the bourgeois press*, including the most poisonous haters and enemies of Marxism and the socialist movement. And in any case such a criticism of Renner will be superfluous. Because if he writes, 'I am making a last attempt to explain to Max Adler what this is all about', consequently I will not make even the first attempt with him. I am not writing this article for him, because he is completely unteachable, just as a matter of will is unshakeable. Renner has proven that he cannot be taught since the days when he defended the war-time policy of the Majority Socialists and greeted war socialism as a hopeful advance to socialism. Both my criticism of the *Arbeiterzeitung* at that time and Kautsky's marvellous refutation [of him] later on had no other impact than to strengthen his rejection of 'book learning'. Therefore, these lines are written for those for whom the proud title of our movement as a scientific socialist one still signifies a task that goes beyond the goals of the mere art of practical politics, but who perhaps could easily have been confused by Renner's brilliant rhetoric and his popular contrasting of theory and practice. My remarks are meant to be an aid to them in making their own judgment. In that regard I can only give mere tips here. But more is really unnecessary, because we are talking about all sorts of things that already have been repeatedly illustrated in the writings of the 'learned', to say nothing of my own, in Otto Bauer's *The Austrian Revolution*, and in his essays in this year's volume of *Der Kampf*.

^{*} The translation is from *Faust*, Chapter Four, translated and introduced by Walter Kaufmann, accessed from <http://genius.com/Johann-wolfgang-von-goethe-faust-chap-4-annotated>.

II

In his observations on experience, Renner begins, 'nevertheless' (as he says), from a fundamentally Marxist position based on the phrase: consciousness does not determine Being, but Being determines consciousness. If one assumes, then, that one begins with the working class as it is, then the phrase would imply that it is futile to use socialist ideological propaganda and socialist education to affect the proletariat in ways that go beyond what is economically possible at the time. Renner does not feel completely comfortable with his assertion, which stigmatises decades of socialist propaganda as unfruitful, wrongheaded, and even dangerous. Since the earlier periods were certainly even less ripe for socialism than the present, then consequently, the revolutionary socialist work of enlightenment, carried out by whole generations beginning with that of the *Communist Manifesto*, should not have taken place. And, therefore, Renner adds that the thesis of the primacy of economic being stands, 'at any rate', in opposition to its antithesis that a socialistically educated working class would act much more correctly within the bounds of the possible. It still remains unclear what Renner understands by the possible and by correct.

We have here right at the beginning a model example of Renner's illustration of what he calls 'ascertaining the facts'. To him, a basic fact is the *Being* of the working class in a particular time and he finds this factually in the proletariat's concrete economic condition. But the mere economic situation, i.e., the real economic conditions of production, the factors and structural relations, do not yet constitute the proletariat's Being. That is the great error incessantly repeated by the bourgeois critique of Marx, which interprets the economic Being discussed by Marxism as a *tangible* thing. If Renner had been less dismissive of Marxist 'scholasticism', then he would have been spared from sloppily quoting what he himself has designated the fundamental Marxist thesis on the relation between being and consciousness, just like Marx's opponents do. For Marx never said that Being determines our consciousness, but rather that *social* Being does this. This is not quibbling about words. It is, rather, the overlooking of the concept 'social', which forms a part of Marx's economic Being. This is the basis of the whole misunderstanding, really the lack of understanding, of the relation of the material foundation to ideology in Marx. As soon as we know that for Marx all Being is social being, then it follows that economic Being, our starting point, always contains within it something intellectual, some kind of ideology, if also a wretched one. In showing just the economic *condition* of the working class, nothing at all is said about its economic *Being*, nothing at all is said about which consciousness, which ideology, is actually bound up with this economic condition, about whether the existing consciousness is the only one in keeping with this condition, or whether perhaps even

a wholly other consciousness will be required if the proletariat is to become self-conscious of its social significance and grasp its condition and tasks theoretically. Renner makes this basic Marxist principle into the same dull economic mechanism as [Marx's] opponents, who identify economic Being, i.e., the social function of the proletariat, with the egotistical material interests that spring directly from the concrete economic situation. For example, they conclude, happily, that, when the economic relations of a country require imperialism, then the proletariat also must think and act imperialistically and not socialistically. Renner completely fails to appreciate that an ideological component always belongs to the economic Being of Marxism and *that the practical function of Marxism is precisely the transformation of this ideological component in the direction of the perceived development of socialism*. This transformation of ideology by theory is the reform of consciousness, which Marx believed was the indispensable task of proletarian class struggle. According to Renner's conception that socialist politics should only attempt to pursue that which is possible from the standpoint of the proletariat's concrete existence, the *Communist Manifesto* should not have been written, because when it appeared the proletariat did not yet exist in many of the countries to which the call went out: 'Workers of the world, unite!' And the Being of the proletariat, where it already existed, was the Being of the machine smashers and of the rebelling weavers. It was still far from even understanding, never mind fulfilling, the demands raised by the *Manifesto* for its enlightenment and organisation. But it was precisely in this way that the *Manifesto* developed an ideology of proletarian consciousness whose fulfilment went beyond the framework of what was economically possible at the time of its establishment, and it has become and remained the polestar of a proletarian politics that does not want to merely be the practical art of the moment, but rather wants to be and can be the *technique of the social future*.

Renner does not see that, for Marxism, the 'concrete economic situation' does not yet signify any social Being, but is only the framework within which it finds [such a Being] without having to stand still. On the contrary, for Marxism the task of tackling the transformation of what exists in the sense of social development now emerges. For the Marxist dialectic economic Being never signifies something that is *found*, but rather something that is *becoming* and, in respect to the proletariat, something that is to be *shaped*. Thus, as one now sees, the economic Being of the working class is different from the beginning, with and without socialist ideology. The whole economic Being of the working class is a different one within the *same* concrete economic situation depending on whether it harbours merely bourgeois-democratic or socialist revolutionary thoughts and feelings. And within a situation that is increasingly ripe for economic transformation, as is the present time, this ideological difference among

the masses and the degree to which theory has permeated them is decisive in determining the extent of what is possible. As the church father Marx wrote, 'Theory also becomes a force when it seizes the masses'.

Therefore it is totally wrong to talk about the psychological factors of worker education as an antithesis to the thesis of the primacy of economic relations. There is no antithesis here. Hence the passage on the primacy of economic relations applies on a wholly different terrain than that of the importance of socialist education. The first denotes a principle of *explanation* and the second one of *action*. The first does not indicate a psychological preference for the economic situation over the ideological one, but rather only a theoretical principle, where we have to start with the explanation of the ideology. The primacy of economic relations does not confront ideology, but is only the theoretical means for us to understand what various forms of ideology are economically possible and necessary. And Renner, who so sweepingly pontificates on the banality of change and the historical class struggle, has no perspective at all on the changing importance of ideologies, which forms a part of the transformation of class struggle. The ideal of social revolution has a completely different practical-political meaning at the time of the labour movement's beginning and at the moment of its full development. In the first phase an almost religious belief in another world, most recently it develops a practical line of march and preparedness to fight. The Being of the working class, therefore, is not identical to its economic situation. A certain consciousness forms a part of this Being. Who ever works to tear the proletariat away from bourgeois ideology is simultaneously transforming the proletariat's social Being. Only in this way will the proletariat become the historical force for a 'transformative praxis' that can lead [us] out of contemporary society, while proletarian Being in Renner's sense guides and supports the praxis of the politician who wants to feel ever more comfortable in the present.

III

Let us now turn to 'that which really exists', the thing *closest to Renner's heart* (for matters of the mind, theory, should not, God forbid, exist), to his already well known wartime writings on the state's penetration of the proletarian class struggle and on the proletariat's different position in the state that had supposedly become necessary as a result. Renner sums this all up in his thesis: 'The state superstructure transforms the motives, methods, and goals of class struggle' (p. 143). It is not theory, but personal experience that demonstrates the immeasurable importance of the state for the modern proletariat. And he overwhelms his 'dear Max Adler' with expressions of sympathetic admiration, indeed even concern for his eyesight, because he doesn't see the blatant facts.

But I'm not talking to you, dear Karl Renner, who has never made an effort to understand me, but rather to those who want to understand the final cause of the differences between the Renner viewpoint and that of myself, 'and my tendency'. Renner's complaint about my ignorance of the facts again shows clearly how it is *not the facts* and whether or not we recognise them that separate us, but rather the different standpoint from which the facts are grasped and processed. It is all too easy when Renner assumes that anyone could overlook the fact of the influence of the modern state on the proletariat and of the growing influence of the proletariat on the state. Rather it is precisely that which Renner calls the modern closeness of the proletariat to the state and the legalisation of the class struggle [that is] the point of departure of all those who today work on the Marxist conception of the state and on the critique of democracy. The Marxist conception of the state sees the fact that, with the advance of political democracy, state thinking and values assume an ever larger place in the consciousness of the proletariat and that its class struggle increasingly orients itself more on the imperatives of the state than its own. It notes the fact of the establishment of an increasingly widespread attitude of responsibility towards the state in individual strata of the leadership of the political and trade union movements – it *sees* all these facts *but it doesn't stand still with them*. While Renner's tendency stops observing here and immediately rushes to the consequences of the 'art of politics', for Marxist theory of the state and society this is where the *problem starts*. The question is whether these facts are also required for the social class struggle of the proletariat, whether they already represent those social factors that lead to the achievement of socialism or whether they don't signify, instead, a bourgeoisification of the proletariat, its transformation along non-revolutionary lines, taking it off the road to socialism or making the road far more difficult. And this question cannot be answered through the assembling of so many concrete facts; it can only be decided through the classification of these facts in the Marxist theory of social development. Only their criticism in the sense of this theory, which goes beyond the fixed description of the existing economic structure to the evaluative assessment and elaboration of the transformative functions in the structure, can really help us here. In short, the question of whether we don't have to confront these weighty facts with *others*, through which these lose the heft with which they often crush the soul of socialism, this question, dear Karl Renner, is adjudicated by *theory*.

Thus, Renner's ascertainment of the facts is not completely unassailable. He says that, for the proletariat in the same economic situation, it is of immense importance whether it lives under a monarchy or a republic. Alone under the presupposition of the same economic structure it does not matter very

much if we have a monarchy or a republic before us. It does not make much of a difference for proletarian class struggle that England is a monarchy and France is a republic. And Holland, in spite of the king who 'rules' there, is only a Switzerland of the north. The difference emerges not from the form of the state in itself, but rather exists only when the various state forms are the expression of different economic structures of the country. Therefore, the decisive thing for the class struggle and the proletarian position in the state is not the legal form of the constitution, but rather the economic division of power that defends a certain form of the state. And if it is surely correct that the workers have shed blood in order to conquer democratic rights and will perhaps shed more in order to maintain and expand their positions of power in the state, it was still never the idea of the bourgeois legal order that had inspired them. It was because in their class instinct they related and relate democratic rights of freedom to their social idea. If Renner labels it scholastic hair-splitting to make workers aware of this antagonism; [to make them aware] that their political and social interests lead to the classless society, that they get their inspiration from this goal, and that all political achievements within the class state can only be the basis of formal but not economic equality, then this judgment encompasses all the classic political analyses of Karl Marx, in which, as in the essay *On the Jewish Question* and in *The Eighteenth Brumaire*, he worked to demonstrate the yawning gulf between the political ideology of the bourgeois state and the social ideology of proletarian class struggle. Renner has no interest in such a differentiation that can only upset his Realpolitik. He casts his gaze at the 'most concrete experiential fact' that in all the European states the workers' movement is grappling for the state 'with every fibre of its political will'. But because he unfortunately does not see or does not value the equally concrete fact that this struggle only too often does not mean an equally passionate strength of socialist will, he says not a word about the most concrete fact of all – the current weakness of European socialism. The step-by-step penetration of the bourgeois state is only too often a progressive adoption of bourgeois thinking and the piecemeal conquest of state power becomes the piecemeal frustration of socialism.

IV

Let us examine for a bit this process of legalising proletarian class struggle. In his eagerness to glorify the bourgeois legal and state form Renner goes so far that he sees the state, which Marx had taught us was an instrument of ruling class oppression, as the proletariat's own means of protecting itself. He calls that the dialectical development of the state, about which I, as a poor book learner, naturally cannot know a thing. He, on the other hand, untarnished

by any book learning, easily got through that difficult chapter on dialectical development – about which other poor book learners, like Hegel or Marx, had to write many books in order to clarify themselves and others – through the simple experience that, from the earlier executive instrument of the possessing classes, the state had become an organ of protection for the proletariat because today's proletariat enjoys the benefit of protective labour legislation and social insurance, because he occupies a seat in the circuit, adjudication, and commercial courts, and because he can now press his interests in the courts. But not only the long period of class justice and class administration shows us how, despite the extensive rights of the working class, the protective function of the law for it remains very precarious; every detailed study of the proletariat's individual rights in the bourgeois state teaches us that the essence of the capitalist economy itself forces the proletariat to make no or very limited use of them. It is discussed often enough that, for example, the institution of the factory councils (Betriebsräte) only becomes damaging for the revolutionary class struggle if, through these institutions, the leaders come to develop a sense of élan for their branch or even solidarity with the entrepreneur. The legal protection of business inspection and health legislation is very questionable, if fear of being laid off in a context of [high] unemployment hinders workers from making use of their rights or if the critical condition of production makes it impossible for the factory owner to meet such demands. In short, the legal protections of the working class within capitalist society everywhere encounter class and economic barriers. Renner makes the odd assertion that the legal power of the workers in Austria is at least equal to their economic power. In this context I cannot say much more about that. In any case, however, is it, then, the *economic* power of the working class that underpins its legal power? Certainly the legal form is an extremely effective means of bringing economic power to bear, but it is still only a form, which, without this power, hence without an *extralegal* factor, is completely useless, indeed, it is dangerous, because it simulates legal protection when in reality there is none.

Economic power, says Renner, is the arm on the spoke (Speiche) [of the machine]; the power of law on the other hand, is, so to speak, the endless extension of this arm, because in the state it has its own apparatus for pursuing its interests. One is stunned. To whom did Renner tell this self-evident fact? Much more important is the assertion that the power of law as legal power is not the same thing for the bourgeoisie and the proletariat. That bourgeois legal power consists of having the entire state apparatus at its disposal to push through its legal interests constitutes the *difference between the pursuance of rights* by the possessing classes and the pursuance of rights by the proletariat. The 'beautiful' example of the runaway horse can illustrate the difference

tellingly. The proletarian is unable to mobilise the whole state apparatus when one horse has gotten away, because he usually has no horse. And if his Karo should run off or his goat is stolen, he would wind up under arrest if he should demand that the whole state apparatus be mobilised because of his shabby little animal even though, for him, it might be worth more than the horse would be for a rich man and even though he has the same legal claim to find his property as anyone else. Of course legal power reaches further when it controls the state apparatus, further than simple economic power. But Renner talks as if the legal form would already be legal power and as if the state apparatus would be a door handle on which each person with mere legal form could press down *simultaneously*. Only the path of extralegal power – eventually the development of violence – leads from legal form to legal power. When Renner indicates that the proletariat must achieve its legal power by force and thereby make the state apparatus into its own, then he is right. But then why does he argue with me? That is precisely my never-ending speech, that the most complete democratic legal constitution does not mean equal legal power *for all*, just as it does not mean the same level of control or cooperative control over the state. That is why the proletariat must strive to go beyond the legal order to another *social order*.

The legal power that the proletariat will achieve is not at all the same as bourgeois legal power. It is and must be oriented against the legal power of the bourgeois classes, because the proletariat wants to found a completely different legal order in which private property in the means of production is no longer a right. If one never overlooks that, then one will correctly recognise the complete formalism of Renner's outlook, which is really more dangerous than what he calls my scholasticism. As least the latter is tied to the content of a great theory, Marxism. Legal formalism, on the other hand, has no content other than being the illusory stuff of rightist ideology. Whoever is free from this [view] has a clear understanding that economic exploitation can be and is bound up with a state of laws (Rechtsstaat). And, therefore, he will unceasingly demand that the proletariat conquer the Rechtsstaat for itself in order to create proletarian law through its power, i.e., through the dictatorship of the proletariat, and thereby prepares a new social form of life.² What should one say when Renner writes that the 'book learners completely cast into the wind' any appreciation

2 Renner criticises my concept of dictatorship as a 'logical monstrosity'. I see it from the standpoint that I represent Marx's concept. But while for me the dictatorship of the proletariat is the future process of the transition to socialism, Renner thinks only about ministries and on the past concerns of his Chancellorship, such as providing bread and paying salaries. Is there a more splendid description of this 'practical fighter for his class'.

of having the arm of the state for one's self or being able to limit it? Does this peculiar finding of fact not stem from the fact that, for him, the revolutionary class struggle, as the book learners learned it from Marx, is no longer necessary?

Whether the economic power of the proletariat consists only of the proletariat's arm on the spokes of the machine wheel or also on the guns, this will be decided not by the legal form alone; indeed it is even possible without the legal form when the proletariat has armed power. For when police sabres and soldiers rifles no longer serve bourgeois aims, which include in particular the so-called protection of state interests, then a greater step on the way to proletarian legal power and to socialism has been taken than through the obedience of the proletariat to any legal order able to muster the police and army against the proletariat in the name of the law and the state. The state is, nevertheless, a judicial apparatus, which exactly for that reason is as identical to the law it produces as any apparatus is to the work for which it is used. Just as one can use a printing press to print revolutionary as well as reactionary writings, the state apparatus can give legal form to any type of political order. The state was always a judicial apparatus. Even the system of orders (*Ständestaat*) and the despotic state are judicial systems. The judicial apparatus does not become a force for the proletariat through the legal form of its interests, but only through the degree of extralegal power the proletariat is able to place behind these interests.

Therefore, Renner's grotesque opinion, which he allows to prevail instead of reading the writings he opposes, stems only from his fantasy that 'these people', against whom he polemicalises, had put out the slogan, 'Hands off the bourgeois state!' In fact, they had urged the workers to '[Keep your] *soul away from the bourgeois state!*' in order to be able to take the state all the more unhesitatingly into your hands, not in order to 'perfect' it but to create the space for the socialist society by abolishing it.

But Renner says that one may no longer speak of a bourgeois state and of bourgeois democracy, because the apparatus becomes something different when the proletariat penetrates it. Not to note this would mean being miles away from the Marxist dialectic. We say, however: whoever simply assumes that the proletariat's possession of positions of state power would mean a change in the bourgeois state rushes to a conclusion that is not dialectical and is illogical. That's because what is decisive is not taking possession of positions of power, *but rather the spirit and will of the proletariat that does so*. The attitude, expressed for example by Paul Bancours, who, from a responsible post declared that he is, first of all, a representative of France and only then is a representative of the proletariat, serves the class struggle of the proletariat just as poorly as would a workers' government that would send planes to destroy a

colonial revolt in the interest of the state it governs. Of course Renner means that the state apparatus today still functions reliably for the bourgeoisie, but it can function just as reliably for us. Naturally it does not depend on the legal authority alone that the proletariat is able to exercise within the bourgeois state but, I would like to say, [it depends] on the *power of injustice*, i.e. on the degree to which we succeed in separating the proletariat and all the groups close to it from the state's ideology of law and [that we] carry out the law of struggle against the law of the dominant classes. This transformation, which detaches people – those who believe in and fight for it – from the legal apparatus of the state, is decisive in determining the *real proletarian* function of the apparatus.

V

I don't really need to go into the wealth of assumptions indulged in by Renner in order to show that the division of classes is never as simple as the model of 'owners-non-owners'. To overlook that would be terrible. But it is much more terrible to dismiss the antagonism between owners and non-owners with cheap critical expressions like 'simple' and then to completely forget about it. Renner himself concedes that in the case of a total crisis of capitalism, that is to say of an expanding social revolution, this basic antagonism immediately comes to the fore through all the differences that otherwise mask it. However, and this is once again characteristic of Renner's standpoint, to him this case of social revolution applies only, as it does for the bourgeois, as something abnormal, as an exception to the rule, which normally would not have shaped the thinking of the proletariat. But we must hold onto just this case of the revolutionary crisis of capitalist society as a directional point for our political thoughts and actions. That the social revolution is *not immediately* upon us, which Renner emphasises so strongly and which, today, is certainly a given, cannot mean, however, the non-immediateness of continual intellectual and material *preparation* for it. And to that belongs the fact recognised by Renner that, for this fundamental goal of all socialist work, capitalist society falls into two great camps. The inculcation and the popularisation of this perception is not simply a theoretical luxury; it is, rather, of increasing practical significance. That is because it initially serves to steer the indecisive middle strata to a place where its development interest is secured, i.e., to a community of interests with socialism, while rolling back this core antagonism of capitalist society hamstringing the proletariat's striving for its own goals by winning over allies who are unreliable because they are not at all interested in the [proletarian cause].

Renner looks at the 'colourful mosaic of classes and class groups' and, because he understands politics as an art, he ruminates about how one can carry out practical class struggle that simultaneously binds the conflicting

groups into a coalition. And he claps me on the shoulder in a well-meaning way and sighs, 'Oh my dear Max Adler, the class struggle is not the simple thing about which your book learning, centred on the bourgeoisie and proletariat, lets you dream'. But practical class struggle, as Renner means it, is really not all too difficult an art. Indeed, he rejects any principled orientation. He adopts his slogans from the requirements of the day or at most from the outlook for the next elections. This proletarian struggle has not, as Renner boasts, already arrived at the U or even the Z of the Marxist alphabet, while we poor book learners remain stuck at ABC. No, it has already gone beyond the Marxist alphabet into what is really Marxist illiteracy.

Certain is the fact that the socialist class struggle today can no longer be led merely by the factory proletariat alone, a fact which embodies a difficult problem. The book learners try to cope with it theoretically and practically. The *Linz Programme* contains significant proof of that. Otto Bauer's works on the winning over of the agrarian population and my own on the winning over of intellectual circles might count as a part of the Marxist alphabet that has gone beyond merely ABC. Indeed, they don't flatter themselves to have already reached Z, but [in working] to that end they have not forgotten ABC. Of course the general scheme of classes only provides a general orientation, and naturally one cannot derive the tactical requirements of politics in each individual state from the general and supreme class antagonism between the bourgeoisie and the proletariat. Here it is necessary to go into all the differentiations in the antagonism between the classes. For that reason, however, holding onto that general orientation is neither superficial nor unfruitful. That is because its function is not that of political tactics itself, but rather that of the *socialist orientation* of this tactic. Renner himself ultimately believes that the phrase about the antagonism between the bourgeoisie and proletariat is not true today or going forward into the future. He does not dare to label it false and considers it merely impractical for the present. In this view, the difference between politics grounded only on what is practical and those that want proletarian class struggle begins to become clear. The former must water down the basic orientation on class antagonism, so that it can build the bridges upon which no one wants to tread. The latter, precisely because temporary cooperation with other classes or interest groups is unavoidable, will bring this basic principle even more to life in the consciousness of the proletariat, because only in that way will the revolutionary class power of the proletariat be maintained during such cooperation.

And from that comes our conclusion that that which is really practical results *in the end only from the vitality of Marxist theory*. The practical class struggle is not that of praxis, of the everyday, but rather it is that which leads to

the realisation of socialist society. ‘Transformative praxis’ was the great motto with which Karl Marx began his scientific and political revolutionary activity. And all of the practical utility of class struggle is only in the sense of this transformative praxis, in other words of social revolution. Viewed in this light, the ‘practical class struggle’, as Renner extolls it, is the most impractical for the revolutionary proletariat. It is precisely this class struggle that pushes socialist spirit, socialist enthusiasm, and the will for social revolution from the present off to doomsday, to that day when – one has no idea how – the opportunity will arise to undertake social revolution. However, he who conceives of socialism ‘scholastically’ – that is to say, as I do, in the sense of Karl Marx’s school – so that he sees in every proletarian the *practitioner of the future*, the *new human*, he will not remain in doubt about the decision he has to make: for the ‘impractical class struggle’ of Marxism or for the ‘practical class struggle’ of Karl Renner.

Max Adler, ‘Praktischer oder unpraktischer Klassenkampf’ 1928, *Der Kampf*, 21, 5 (May): 197–206.



On the Principle of Proletarian Politics (1928)

The representatives of the party’s right wing don’t like references to Karl Marx obviously from the instinctual feeling that the conceptions of Marxism, in the sense of the perceptions of the social science founded by Marx, cannot be used to justify their view of gradually growing into socialist society by utilising the democratic state and of social policy. Indeed, they happily label any attachment to the basic conceptions of Marxism as righteous orthodoxy or even fruitless scholasticism. Nevertheless, they are contradictory enough that, wherever they think it possible, they dress themselves up with a citation from Marx’s writings. And, in this regard, there is *one* passage in particular that is preferred for citation, [a passage] with which one believes Marx can be branded as the patron saint of revisionist opinion, namely the famous assertion that the victory of the Ten-Hours Bill in England was the *victory of a principle*. And, on the right, one usually means by that the victory of the principle of affirming the state as opposed to affirming the ‘merely negative’ standpoint of class struggle. In many cases one does not even know the origin of this sentence and, even when it is known that it is from the *Inaugural Address*, very few know the objective context in which Marx used it. Unfortunately, not only is the older Marxist literature seldom read, but this was especially true

of the *Inaugural Address*, which until 1922, when Karl Kautsky edited a new edition, was hard to find, and even the new edition is read only by a few.³ If, however, we seek this often-cited sentence about the victory of a new principle at its source, if we read it in the context that Marx found himself in, then we will see that it is not usable for any kind of revisionist outlook or reformist policy, but on the contrary it stands *precisely for the revolutionary* opposite of both. And this is actually a natural result for anyone who is really imbued with the method of Marxist thinking so that, from the outset, it moulds his experiences and shapes his views. Thus, such a revolutionary class standpoint would have to be assumed from the start if a reformist take on Marx's sentence would be either a momentary adaptation to a temporary situation, which has no significance for the standpoint of Marxism itself, or dealt with a passage that was easy to misunderstand. But neither the one nor the other is [actually] the case. To ascertain this today, at a time when the struggle between the Marxist tendency and that of reformism has broken out again most intensely, will be very expedient. At the same time doing that will challenge a conception of this statement on the Ten-Hours Bill that has become a sort of legend. And we are not talking here merely about a dispute over interpretation, but rather about an objective assessment, [just] as the First International, still led by Marx and Engels, had assessed the value of reformist movements and goals for class struggle.

Even if the formulation of the passage about the Ten-Hours Bill approximated a reformist meaning, that would not be an argument in favour of the revisionists. That is because it is well known from the history of the *Inaugural Address's* origins that Marx drafted it with great reluctance and was not at all happy with the final version. As he wrote it, he was not fully free to develop his bold ideas and had to give up uncompromising language. He had to try to craft a text that the various tendencies of the socialist workers' movement at that time, the English trade unionists, the anti-state French Proudhonists, the various syndicalist groups, Lassalleian believers in the state, etc., could accept. In order to unite them, he had to express somewhat more cautiously what he otherwise tended to say more explicitly or he had to refrain from saying what he really had in mind. And that is why, for example, the word[s] 'class struggle' or 'socialism' or 'communist society' appears neither in the address or in the statutes. There is, therefore, a great difference between the language Marx uses in the *Inaugural Address* and that he used in the *Communist Manifesto*, but it

3 Karl Marx, *Die Inauguraladresse der internationalen Arbeiter-Association*, edited by Karl Kautsky, (Dietz Nachfolger: Berlin, 1922).

is not a difference of standpoint, as if the Marx of the *Inaugural Address* had already become more 'moderate' as a result of the experience in the interim. If we read the introduction to the statutes of the 'International', on which Marx had placed the greatest weight, then we find there all the basic ideas from the *Communist Manifesto* in the form of a resolution. This occurred solely for tactical reasons, which, by the way, Marx expressly wrote to Engels in his letter of 27 October 1864 when he noted that, in the *Inaugural Address* itself, he let all these revolutionary ideas retreat into the background. One must always keep this compromising character of the *Inaugural Address* in mind, if one wants to cite any of its passages.

But the passage on the Ten-Hours Bill is completely clear even without the required consideration of the total context and its meaning moves in a totally different direction than one urging the proclamation of a reformist enhancement or even an attenuation of the sharp original Marxist concept of class struggle. An illustration of Marx's train of thought should make this clear to us.

The *Inaugural Address* should be the call for the founding of an international organisation of the proletariat and, therefore, above all make clear the necessity of such a combination. It undertakes this by providing workers with an historical overview of social development since 1848 and by explaining how they must remain powerless in the face of capital's growing power if they do not unite in the international struggle against the capitalist system. To that end Marx points out 'a very important fact', namely that 'the poverty of the working class had not changed between 1848 and 1864, despite this period having experienced unprecedented development of industry and growth in trade'. The condition of the English working class illustrates in detail the unchanged poverty of the proletariat, while the increased wealth of the bourgeois classes reveals its opposite pole. As the English Secretary of the Exchequer Gladstone said, 'The intoxicating growth in wealth and power is limited exclusively to the propertied classes'. The *Inaugural Address* does not leave unmentioned that of course the condition of the working class has also seen improvements, but the decisive point is that in proportion to the growth of wealth, the luxury of the rich, and to improvements in the living standards of the propertied classes in general, the condition of the proletariat had not improved. 'And so in all countries one truth has emerged', wrote Marx, 'proven for all those of unprejudiced intellect and denied only by those who have an interest in leading others to cherish false expectations, that no perfecting of machinery, no application of science to production, no improvements in transportation, no new colonies, no emigration, no opening of new markets, no free trade, nor all these things taken together will eliminate the poverty of the working masses; but that, on

the present false base, every fresh development of the productive powers of labour must tend to deepen social contrasts and to sharpen social antagonisms'. In addition to this inescapable tendency of capitalist production is that, since the failure of the Revolution of 1848, all organisations and newspapers of the workers' parties were forcibly suppressed, causing great demoralisation in the proletariat everywhere. Above all, following the collapse of the Chartist movement, the English working class reconciled itself to a condition of political oblivion and this political weakness, this political apathy, became the general condition of the working class on the European mainland.

In contrast to this sad picture of the respective condition and the hopeless future of the proletariat in capitalist society, Marx emphasises *two* 'points of light': the struggle for the Ten-Hours Bill and the cooperative movement. In these two facts Marx sees the victory of a principle and, indeed, he refers to its content as the *victory of the political economy of the working class* over that of the bourgeoisie. That there are two facts, something that is usually overlooked, must call attention to the point that Marx's 'victory of principle' was meant differently. By that he also understood the cooperative movement, which today even the revisionists don't wish to place on the same level as what they see as the victory of principle, i.e., the permeation of the class struggle by the state. Moreover, Marx said of the cooperative movement that it was an 'even greater victory of the political economy of labour over the political economy of capital' than the achievement of the Ten-Hours Bill. What Marx understood by this 'victory of a principle', and why he saw in it a point of light in contrast to the miserable situation of the proletariat under capitalism, can only be understood by investigating the concept of the 'political economy of the working class' and Marx's view of the relationship between it, the Ten-Hours Bill, and the cooperatives.

Marx described the achievement of the Ten-Hours Bill as the victory of a principle not really because of the improvement in the proletariat's living standard. Certainly the *Inaugural Address* emphasises 'the great physical, moral, and intellectual benefits that the working classes gained from this measure' as its great cultural impact. *But Marx sees the 'higher meaning' of the Ten-Hours Bill 'apart from its practical importance'*. And the victory of principle has even less to do with the fact that the state had been taken into the service of a working-class interest. Indeed, the Ten-Hours Bill was only the beneficial result 'of a momentary split between the landed aristocracy and the aristocracy of finance'. The significance of this event lies in a wholly different sphere. The bourgeoisie, via its theoreticians, had always claimed that a legislative limitation of the working day would be impossible and would sound the death knell of English industry. Bourgeois theory could not imagine that economic

life could be guided in any other way but through the blind laws of supply and demand, and it was convinced that every attempt at conscious social regulation must lead to a disruption of the economic order as they have shaped it. Against the demand for the Ten-Hours Bill, that is to say against the demand for at least a *partially planned regulation of production*, arose not only simple and brutal opposition, the 'horried greed' of the entrepreneurs, but above all the theoretical opposition of the 'political economy of the bourgeoisie', which came out against any conscious and planned ordering of economic life as something economically impossible. In contrast, it is precisely this idea of the planned design of the economy, '*of social production dominated by foresight and insight, that forms the political economy of the working class*'. The demand for socially regulated labour time was, indeed, only a small part of that, but was an essential part, and the realisation of this demand had not only not led to the ruin of industry, but on the contrary it allowed, indeed it supported, its intoxicating rise, as triumphantly described by Gladstone. '*And therefore the Ten-Hours Bill was not only a great practical success; it was victory of a principle. For the first time, in the full light of day, the political economy of the bourgeois succumbed to the political economy of the working class*'.

Thus, the victory of the new principle does not lie in the proletariat having pushed through a regulation of working time. It also does not lie in the state having assisted in the process. The victory of the principle that Marx refers to here also does not mark the beginning of a new proletarian perspective on the state according to which the proletariat no longer views the state as merely an organisation securing the rule of the propertied classes, but on the contrary sees it as an instrument that it could increasingly use in common with the owners for its own benefit. Instead, Marx speaks of the victory of a principle because it is a question of a *new cause*; it is a question of the *proletariat's principled position* distinguishing and opposing the established state and determined to consciously move beyond bourgeois society into a wholly different one, into socialist society. This new policy is the political economy of the working class and its essence, as Marx celebrated it, lies not in the state simply functioning in favour of a working-class interest, and it lies not in the expansion of the proletariat's political ability to place the state in the service of its interests. That is because thereby neither the political economy of the bourgeoisie, i.e., the capitalist system of production itself, is swept away or even shaken, nor is the political economy of the working class, i.e., the establishment of socialist production and economy, realised. Only then, when all individual achievements of a sociopolitical nature are regarded by the proletariat simply as means and, so to speak, as symbols of a socialist social order, only then do they represent parts of the new idea of 'social production

dominated by social foresight and insight', only then are they elements of a new political economy of the working class that *is self developing and stands in opposition* to that of the bourgeoisie.

Marx's 'victory of principle', therefore, is in no way usable for a theory of the proletariat's increasing closeness to the state and also is not usable for a theory of the proletariat's growing into socialist society via social policy and democracy. And this becomes even clearer when we observe the second fact in which Marx, as we have seen, perceived an even greater victory of the political economy of the working class than in the implementation of the Ten-Hours Bill. Today, now that we – mainly through Marx's critique – have overcome the illusions of cooperative socialism as they emerged in the teachings of Robert Owen, Louis Blanc, and Ferdinand Lassalle and then dominated the movements they led, it is clear from the start that the high regard for the cooperative movement in the *Inaugural Address* could not relate to the illusion that the cooperative is the real or the essential means of overcoming capitalist society. On the contrary, the *Inaugural Address* describes the cooperatives as completely unsuitable for stopping the growth of monopoly, for liberating the masses, or even for noticeably easing the burden of their poverty. And in the Resolution on Cooperatives, authored by Marx and passed straight away at the first congress of the International in Geneva, it is expressly stated that, 'The cooperatives movement, limited to the small scale forms of development that the association of individual wage workers can provide, is not by itself capable of reorganising capitalist society'. In order to achieve that, the resolution continues, requires general social transformations, 'which can never be realised without the transference of organised control of society, namely that of state power, from the hands of the capitalists and large land owners into those of the proletariat itself'. If, therefore, the cooperatives are not suitable means for overcoming capitalist society, why did Marx describe them as an even more significant example of the victory of the political economy of the working class? For the *same* reason as occurred with the law on labour time: in both cases it was not because of the practical effects, although these are important enough for the improvement of the living conditions of the proletariat in contemporary society, but rather because of their *relation to the final goal of the proletarian struggle for socialism and for the social revolutionary orientation of worker politics*. In the cooperative moment, Marx emphasises that its foundation only had the value of a social experiment, but this could not be assessed 'highly enough'. This is because 'through action instead of through arguments, the workers have proved that production on a large scale and in harmony with the progress of modern science can go forward *without the existence of a ruling class*, which uses a class of 'hands'; [they have proven that], in order to bear fruit, the means

of labour *do not need to be monopolised* as means of domination over the workers and as *means of exploitation* against them; and that, as with slave labour and serfdom, wage labour is also a transitory and subordinate social form, which is certain to disappear in the face of associated labour ...'

Here it has become fully clear what Marx understood by the victory of the principle of the political economy of the working class. It is the victory of ideas and goals that are fully foreign and hostile to the capitalist world and can be implemented neither within its economy nor within its state. In the sense of the political economy of the proletariat, the ten-hour day means the planned regulation of economic life, as does the cooperative. Both are in the interest of the social whole and aim to sweep away classes that oppose this goal. And for that reason the already cited Geneva resolution states, 'We recognise the cooperative movement as one of the driving forces for the *transformation of the present society* that rests on class antagonisms. Its chief service consists in showing the practical way that the established system of impoverishment and despotism, which subjugates labour to the control of capital, can be transcended by a prosperous and republican system – the association of free and equal producers'.

Now one also understands how the *Inaugural Address*, after affirming these two 'points of light' in the dark picture of the proletariat's condition and fate within capitalist society, suddenly comes to its main point and central conclusion that '*The conquest of political power* is now the great duty of the working class'. That is because these 'points of light' are not at all related to the current condition of the working class – indeed, Marx did not describe the practical advantages of labour protections and of cooperatives as these points of light – but rather they are only brought into consideration as proof that, *in the future, the principle of the political economy of the working class* will bring salvation. For the present, in contrast, the undiminished, hostile attitude to the established capitalist and bourgeois system still applies. Because 'the landed aristocracy and the aristocracy of capital constantly will use their political privileges to defend and make eternal their monopolies, instead of supporting the emancipation of labour, they will continue to place every obstacle in its path'.

It is *this* perception that initially justifies the conclusion that the conquest of political power is necessary and it explains its real meaning. We are dealing here not with the winning of more power *in* the state in order to rule it either alongside or even with the 'lords of land and capital', but rather [gaining power] in order to dominate the state *against* them and ultimately to liberate it completely from them, whereby it will cease to be a state and will pass over into the classless socialist society. In that regard in the *Inaugural Address* Marx pointed out two important circumstances, which differentiate *this* proletarian

approach to power from one of merely gaining power in the state. Proletarian policy must above all be an *international* one. The 'International' was established just for this reason. The proletariat's international power policy, however, is only possible when the working class does not identify itself with its own state, but only with the interests of the proletarian class, which does not always and everywhere proceed in the direction of the state's interest. For that reason, in the introduction to the Statutes of the International, it states that 'the economic emancipation of the working class is, therefore, the great end to which every political movement ought to be subordinated as a means', and 'that the emancipation of the working class is neither a local nor a national but a *social problem* embracing all countries in which modern society exists and whose solution depends upon the practical and theoretical cooperation of the most advanced countries'.

But then Marx points out that *for this conquest of power simple numbers*, i.e., the striving for a majority in political struggle, *do not suffice*. In this regard the *Inaugural Address* says, 'The workers possess one element of success: their great numbers; *but numbers weigh only in the balance if one organisation unites them and knowledge leads them*'. We know which knowledge Marx is referring to. It is *the knowledge of the revolutionary class struggle* as the *sole* means of liberating the proletariat and, as it says in the statutes of the 'International', '*of abolishing class rule*'. For that reason the statutes also stress that 'the present revival of the working classes in the most industrious countries of Europe, while it raises new hope, *also gives solemn warning against a relapse into the old errors*'. What is meant here are the utopian errors of the old socialists like the followers of Proudhon's anarchism on the one side and Lassalle's state worship on the other. Very interesting for discerning in a Marxist sense the real content of the proletarian conquest of power in the state is the letter of the General Council of the 'International' to the Federal Council of Romansh Switzerland in Geneva, a copy of which Marx included in his letter to Kugelmann of 28 March 1870 (published by Karl Kautsky, *Neue Zeit*, xx, 2, pp. 475). In it Marx notes that England is the country that will presumably be the lever for a social revolution, which is why it is of the greatest importance for the 'International' to exert the most influence there. 'The English', writes Marx, 'possess all the necessary material preconditions for a social revolution. What they lack is the spirit of generalisation and revolutionary passion. Only the General Council can provide them with this, and thus accelerate a truly revolutionary movement here and, in consequence, everywhere'.⁴

4 K. Kautsky, *Neue Zeit*, xx, 2, p. 475.

So we see how it is the same approach in Marx's thought that guides him in emphasising a victory of working-class principle and in pointing out the conquest of political power as the proletariat's sole expedient. Both times it is *the idea of social revolution* that makes lively and perennial contemporary social reforms, cooperative organising, and the conquest of political power into real elements of a socialist movement. Only the socialist education of the masses in the sense of class struggle against the state and capitalism lets gaining power in the state materialise as a real increase in power for the 'social task' of the proletariat, 'for the abolition of class rule'.

Without revolutionary passion and without the inner alienation of the proletariat against the forms and goals of state policy, all the increased influence of the working class in the modern state will only contribute to making it more and more into a prisoner of the political economy of the bourgeoisie instead of its victorious conqueror.

Max Adler, 'Über das Prinzip der proletarischen Politik' 1928, *Der Kampf* 21, 2 (June): 256–62.



How Do We Get to Socialism? (1932)

I

In and of itself, that is to say as an historical eventuality, the peaceful democratic development of socialism certainly would be possible and, assuming the tranquil [development] of democratic institutions, it would also be a perfectly logical idea. Marx himself did not dispute that; on the contrary he expressly said so. In 1872, in a speech to an assembly of Dutch workers after the congress of the 'International' in the Hague, he remarked on the realisation of socialism that, 'We have not claimed that the paths to this goal are everywhere the same. We know that the institutions, mores, and traditions of various countries must be taken into consideration, and we do not deny that there are countries – such as America, England, and if I were more familiar with your institutions, I would perhaps add Holland – where the workers can attain their goal by peaceful means. But that is not the case in all countries'. Thus, Marx had already at that time come to see this form of the peaceful path to socialism only as an exception, which could not be considered in most of the proletarian world. And today he certainly would no longer claim that England and America, which at that time were the most progressive examples of political democracy, were

exceptional. In spite of the age and authority of their democratic traditions, these countries have also developed the same worsening of class antagonisms as in all the other capitalist states.

Why is the democratic road to socialism so impossible? Is it because, as they have grown, the socialist parties everywhere have turned against democracy; thus is it because *we* have left the path of democracy? Anyone familiar with the history of social democracy knows that this is not the case and that, on the contrary, the bulk of the European and American socialists has actually fallen into an uncritical and delusional *cult of democracy*, which disables the proletariat from using democracy as a revolutionary means of class struggle. No, if today the peaceful, democratic road to socialism is as good as ruled out, then it is because it is the *bourgeois classes* that *everywhere abandon the democratic road* as soon as they sense that it is a possible route to socialism. With this point it becomes especially clear that the development of socialism is not that mechanical, economic process that many Marxists still conceive it to be. It is realised, instead, only through the conscious action and goal-setting of human beings and classes, that is to say every economic process has its ideological superstructure in which it initially receives its political and cultural form. And it is not the case that the growing economic necessity of socialism is accompanied by an equally general growth of people's ideological readiness to go along with or even accommodate it. On the contrary, the class antagonisms of capitalist society bring about the opposite [circumstance]; the more the economic relations prepare the collapse of capitalist society, the stronger the will of the ruling classes becomes to counter this economic tendency and fight its effects – as long as it can – with violence. How often have the representatives of neo-revisionism happily assured us that we are already standing in the midst of socialist development? They do this by pointing out the organisation of capital, the supposed proletarian permeation of the state apparatus, the growing cooperatives, and so-called economic democracy. And they are right, but not in the way they intend. We are actually standing in the midst of economic development toward socialism, only the social forms of consciousness in which this experience is lived don't conform to the reformist vision of the path to socialism already travelled. That is because there is no trace of joyfully felt certainty of growing into socialism, no trace of the steady rise in workers' living standards bound up with it, and no trace of a general readiness for the introduction of new economic and social forms of life. Instead, what is certainly the decisive phase of the economy's development toward socialism expresses itself politically and economically in the forms of the most terrible antagonisms and contradictions of the capitalist system: in class conflicts that were unprecedented in their openness and savagery and in a steadily growing

mass impoverishment that has already shaken the foundations of the richest states. This type of path to socialism, therefore, increasingly parallels to the letter the schema in which Marx proclaimed the expropriation of the expropriators: 'With the steadily shrinking number of capitalist magnates, who usurp and monopolise all the advantages of this process of transformation (that is to say of the centralisation of capitals), grows the mass of impoverishment, of oppression, of servitude, of deformation, and of exploitation'. Even in this so often dismissed passage of *Capital* Marx's thoughts turn out to be not just prophetic, but to provide a precise description of today's economic and ideological situation, just as the *Communist Manifesto* of 1847 appears to us today as a reportage about contemporary capitalist and proletarian development. Thus, because it is actually correct that we stand in the middle of the road to socialism, it is necessary to recognise that this route is a way of pain, but it must also be that of organised working-class revolt; it is a path of enormously increasing capitalist oppression, but also of the equally strong revolutionary struggle of the proletariat.

II

One has heard so often from party comrades that what happened in Russia is not the way to socialism, because it was a path full of workers' suffering and deprivation, coercion, poverty, and misery. In this context I do not especially want to talk about what little understanding such a way of speaking reveals, because one either does not know, or does not wish to know, how Russian poverty and the tribulations of the masses were initially products of the breakdown of the economy resulting from war, civil war, and boycotts, and how today's deprivations and labour burdens are only the costs of the colossal construction of a new world in Soviet Russia. And it is a sign of both the lack of understanding and of the lack of revolutionary spirit not to recognise that the poverty, the misery, and coercion in Soviet Russia have a great self-imposed meaning: the purposeful, if also costly, realisation of the socialist society. This poverty, therefore, tends simultaneously to disappear by continuing along this path.⁵

5 See my essay *Unsere Stellung zu Sowjetrußland*, in volume 3 of *Roten Bücher (Ausgewählte Schriften*, pp. 319 ff.). If in his article 'Das Stalinische Experiment und der Sozialismus' (*Wiener Kampf*, 1. Heft 1932) Friedrich Adler describes the work of the Five Year Plan – as a result of the sacrifice it demands from the population – as a type of original accumulation, whose horrors and crimes Marx has described, then it is a very unfortunate comparison, which will only increase the conceptual confusion of many socialists when it comes to the Soviet Union. That is because, first, Friedrich Adler himself must stress that this is original accumulation 'without

But what we are now experiencing and ultimately must also consciously grasp is this: that the path of the European proletariat to socialism also increasingly leads through the poverty and the rape of the great masses, only this is not a rational poverty, it is not in sacrifice for the construction of a new society, and it has no tendency to disappear. On the contrary, it leads to the hopeless dead-end of capitalist crisis. The economic process of the dissolution of capitalist society occurs in the dialectic form that simultaneously unleashes processes through which the capitalist economy tries to maintain itself. Initially, this dissolution moves noticeably ahead, since through the rationalisation of production and the monopolisation of the circulation of commodities and money the economic contradictions of the capitalist system are greatly intensified. Unemployment, steadily growing around the world to the point where it cannot be eradicated, the no longer realisable sale of industrial and agricultural goods despite the hunger for commodities around the globe, the progressive scaling back and reduction of capitalist productive forces themselves – this is today's picture of the capitalist economy. Especially the latter [point] makes the fact of capitalism's dissolution most clear. That is because it is precisely this and only this that has justified the existence of capitalism: it was a means for developing and increasing the productive forces. Today, however, it can only continue to exist by limiting, indeed, destroying them. In order to complete this picture of the *economic* dissolution of capitalism, a characteristic ideological moment of decline in the character of modern capitalism must be added: the loss of its self-confidence. Because during capital's monopoly rule power was maintained for a time at the expense of social culture, it feels its possession of the latter already completely shaken by the insecure state of external and internal peace in individual economic regions. It is, therefore, no accident, but rather only the clearest expression of the old society's process of dissolution, that the world crisis above all bears the character of a *credit and currency crisis*, because capital everywhere has lost confidence in itself and in its future existence. Otherwise it would be incomprehensible how it could be that an international agreement among the capitalist powers has not led to effective measures to combat the crisis through the planned elimination of the credit crisis, through reorganising government and wartime debts, and through financing much needed investments in the public interest. But both the imperialist antagonisms of the individual state economic areas, which had set in right away – and especially

private capitalists', from which the whole concept gets its real meaning. And, secondly, when he says that in Soviet Russia it is the power of the state that has become the bearer of this 'original accumulation', then it is still the power of the *proletarian* state, which does not 'hold the workers down', but places the burden upon them in order to secure *their own* better future.

the fear of social revolution – paralyses any actions to save capitalism from the outset. It is no longer confident in its future and without this certainty there is no more capitalist expansion or investment.⁶

But if the capitalist system has given up the belief in its future in this way, it has *in no way given up the will* to maintain itself and to rule. On the contrary, it has merely altered its methods of survival: it has gone over from bourgeois democracy, from the *veiled* dictatorship, to fascism, to *open dictatorship*, to pure violence. We are now *experiencing* what we earlier simply *knew* from Marx, that no class gives up its power voluntarily or even, like the illusionists of political democracy among ourselves have believed, calmly allows itself to be outvoted. ‘The lords of the land and the lords of capital’, says the *Inaugural Address* of the International ‘constantly use their political privileges to defend and perpetuate their economic monopolies’. And instead of demanding the emancipation of labour, they will continue to lay every possible impediment in its way. But how is this resistance socially possible and effective, since, as a result of capitalist society’s process of dissolution, the group of large-scale capitalist interests is reduced to an ever-smaller minority? Here the dialectic of the ideological superstructure, mentioned above, comes into play to aid in the maintenance of capitalism.

The lords of the large estates, of heavy industry, and of big capital can still resist the dissolution of the capitalist system economically and politically because, among broad sections of the population, this process of dissolution has created elements in the ideological superstructure in which it is clearly reflected but has not yet led to the formation of a revolutionary will among these groups. The broad strata of the suffering petty-bourgeoisie and small peasantry, the officials and white-collar employees who are just as besieged by economic distress, the independent professionals, the small sales people, and the middle strata of all types have already become thoroughly *anti-capitalist*. But they have not come to believe that they have interests in common with the proletariat; on the contrary, they are everywhere inclined to be *anti-proletarian*. This is the ideological inheritance that originates from the interests and traditions of the middle strata and this ideological character trait makes them, even

6 This is one of the main reasons why the capitalist system’s expansion into regions that are not yet capitalist, while certainly theoretically possible, cannot work in practical terms. The space for the expansion of capitalism would even be available in the midst of the capitalist world itself. But today the time for the occupation of this space and the required psychological calm and security is lacking and it is very questionable whether these missing factors can be restored. This psychological narrowness of capitalism is also an ideological form of experience of the economic dissolution of the capitalist era itself.

if it is unconscious and against the will of broad circles, into mercenaries of capital. To them the idea of the Third Reich hovers before them as that of the 'just Reich', in which capital – or, as they would rather put it – mammonism, along with the proletariat are kept in check via a strong hand. Thus, in its hatred of the proletariat, which is greater than its hatred of the bourgeoisie as long as it is not Jewish, and in its fight against democracy, fascism represents precisely that mass movement, which, even in the midst of capitalism's process of dissolution, is able to prop up the system economically and politically.

For non-Russian socialism the result is a very strange situation that is the direct opposite of what existed in Russia at the time of the Bolshevik seizure of power and continues to exist today. There a very small section of the proletariat could only win and hold on to power because the mass of the peasants supported it. Here, in Europe and in America, the small group of capitalist magnates can still hold and even dominate, because the great mass of the middle classes – the intellectuals, independent professionals, employees, government officials, small business people, and small and middle peasants – stand with them and, indeed, *not* out of sympathy and solidarity with capital, but out of fear of the proletariat and hatred of it.

This power grouping in class struggle is something new and could only emerge in the period of capitalist decline. Hence, it is not decisive that the capitalist ruling class rests upon the support of the great mass of the middle and marginal strata of bourgeois society. It has always done so; only earlier the leading circles of these strata, the intellectuals, the officials, and the academic professions, did not comprise an independent movement, but almost naturally were mainstays of the capitalist system and, indeed, in accordance with a socially uncritical, traditional mental outlook even for their own consciousness. Now, however, it is characteristic that precisely these elements have entered into the most intense ideological opposition to the big bourgeoisie and to capitalism, to the 'profitariat', which only expresses the fact that they, too, in their way, experience capitalism as unbearable. They, too, therefore seek the overthrow of the present social order; they seek a 'socialism' (National Socialism), but one that gives and secures for them decisive social worth and makes them, 'the spirit', the ruling power in the state. Capitalism wants to hold down the proletariat but not annihilate it, because without a highly developed proletariat capitalist production is not really possible. In contrast, National Socialism, this reactionary utopia of economic and spiritual petty bourgeois, who must at bottom be against the high technical level of modern production in order to realise their wretched corporate state, has no use at all for the proletariat, must constantly fear it as the stuff of social upheaval, and therefore is determined to *exterminate* it. National Socialism, like fascism in general, is therefore

a double-edged weapon for capitalism. That explains the poorly camouflaged and growing unhappiness of big capitalist strata against Italian fascism and the anxiety of large bourgeois parties in Germany about National Socialism. If fascism and National Socialism are bloodhounds that capital sets on the proletariat, capital long ago become worried about the untamed savagery of this helper.

Through all of this, however, a design of the way to socialism has emerged, which shows clearly that it can only lead through the *struggle* with fascism. And this struggle is, unfortunately, not merely an intellectual one due to the lack of intellectuality in fascism. It cannot be carried out at all with pure democratic means, because political democracy – and not least as a result of Social Democracy's policy of toleration – can be the instrument through which National Socialism wins a *formal*, electoral, victory. And, on the other hand, the parliamentary victory of National Socialism would not be the victory of a 'democratic' party, but only the 'legal' cover for the openly violent rule of anti-proletarian classes and strata. This can only be combatted using the same means, the means of organised violence. But this will be much more difficult or practically impossible after the seizure of power than it would be beforehand. Thus, in the face of fascist arms, the road to socialism leads at a minimum through the moral and physical readiness of the proletariat to engage in extra-parliamentary struggle at any time and with all its consequences. And this readiness, this threatening posture of proletarian power, is at the same time the strongest means of preventing the most extreme consequence of this struggle, civil war.

III

Thus we see that, via democratic and peaceful development, the proletariat can take over neither political nor economic power. In addition, the favourite notion of neo-revisionism that, as a result of the supposed development of the form of the state beyond Marx's characterisation of it, the road to socialism will be in the form of *democratic class compromise*, comes to nothing. Indeed, Kautsky attempted to give this notion theoretical sanctification by asserting that the coalition government is the necessary form of the transition to socialism. Today, however, this falsehood has been lamentably punished by the facts. Recent history provides us with the grotesque picture of Social Democracy with its hands outstretched, practically begging, as it daily proclaimed its readiness to enter into a coalition only to be rebuffed by a bourgeoisie aware of its growing class power and scarcely interested even in [Social Democracy's] toleration. It finds out the content of emergency decrees only when there is nothing left but to swallow them. And on the biggest questions the government

negotiates with Hitler and not with Social Democracy, with whom an alliance no longer is deemed valuable. But the elsewhere so often proclaimed slogans of the neo-revisionists – on the ‘people’s community’ (Volksgemeinschaft), of the ‘division of power among the parties’, of the ‘balance of class forces’, – all that has proven to be illusory, indeed, more than that it has led to a pernicious weakening of the proletariat. In contrast, the supposedly obsolete and primitive basic idea of Marxism triumphs everywhere, indeed it provides an orientation to salvage the current situation in the class struggle: the proletariat cannot expect its liberation from anything other than its own revolutionary class power.

Another illusory notion that has recently gained momentum and that we can only briefly mention here is that of *state capitalism* as the modern form of socialist transition. This catchword gets much of its legitimacy by noting that even in Soviet Russia the proletarian seizure of power was unable to immediately realise socialism but instead had to first create a transitional form of state capitalism. Without going into the matter, just to investigate whether the concept of state capitalism can even be reasonably applied to the work of building Soviet Russia would tempt one to say to the supporters of state capitalism: first give us soviet Europe, then we’ll be pleased to allow state capitalism as a transition to socialism! Like so many other political and sociological terms, that of ‘state capitalism’ belongs among the dangerously ambiguous ones and creates more confusion than clarity. No doubt the question of whether state capitalism can be an element in the transition to socialism or not depends upon the *kind of state* that is sponsoring it. In the *proletarian* state, in which state capitalism naturally would lose its actual capitalist character, i.e., the obtaining and securing of private profits (which is why the term is actually inappropriate), state capitalism becomes a phase in the transition from a capitalist to a socialist economy. In the *capitalist* state, on the other hand, it represents only a means of placing the economic powers of the *whole society*, above all those of the proletariat and the middle classes, at the disposal of *a part* of the society, namely the distressed capitalist system, and thereby intensifies the economic dependence, indeed the enslavement, of the proletariat. State capitalism without the rule of the proletariat means only the liquidation of the hypocritical ideology of the state as an institution of the common good and the cynical confirmation of the phrase: the bourgeois state is merely an organisation for the maintenance of the profit system and the economic exploitation of the working classes. The last emergency decree of the German national government with its scanty price reductions and the unscrupulous attack on wages and salaries, on contracts, and on the labour rights of the working masses is the best illustration for the nature and func-

tion of a state capitalism that the proletariat does not control. If it dominates it, however, then it is no longer the same state capitalism. Then it directly changes its structure and function from an instrument of exploitation of one class into a means of the planned preparation for a socialist economy under the dictatorship of the proletariat. Then it will not be state capitalism, but the power and the rule of the proletariat that brings about the transition to socialism.

IV

Thus it appears that the still widespread notion, which one was especially keen on putting forward as the antidote to the sorrows of Russian development, is completely wrong. This is, namely, the idea that the road to socialism under European conditions would be one which, in 'cultivated' contrast to Russia, could be traversed without suffering and setbacks. Here, moreover, one encounters a flawed conclusion: because after it is achieved socialism will doubtless bring about a major and generalised improvement in people's living standard, one usually says that this improvement must unfold progressively on the way to socialism, especially in the countries of advanced democracy, a more highly developed economy, and a long established socialist workers' movement. This view alone is only an illusion, which has its roots especially in the first feelings of victory after the republican revolution and then again was strengthened in the rising conjunction of stabilisation of capitalism. However, apart from this quickly disappearing illusion is the view that the road to socialism must be a road of general improvement that immediately pays off for the proletariat. This is the particular ideology of the worker aristocracy and the worker bureaucracy. For these strata the achievement of their higher living standard represents the evidence to show that the proletariat is already 'in the midst of its liberation' and that the road to socialism is identical to the progressive improvement of their own wellbeing.

Such perspectives and opinions must give way to the tough realisation, which Marx already expressed, that the road to socialism will in no case – including under democratic conditions – be idyllic, because the class struggle is not idyllic. It is true that we are growing into socialism, but it is not like the slow growth of geological layers, but rather like the stormy drive of newly forming life when a plant buds or a higher organism bursts through the eggshell. And the class state is surely dying out, but not as a capitalist state, on the contrary, only when it becomes a proletarian state and thereby through the dictatorship of the proletariat. Marx saw all of this clearly and said so, but the earlier generations of Social Democracy were not yet able to grasp the totally bitter reality of these ideas. Perhaps one heard the message. What was missing was really the

belief in the whole difficulty of the historical situation and the task embodied in the insights of Marxism.

These perceptions are laid out in two sentences from Marx, which are rightly famous and can be described as the sociological characteristic of the road to socialism. The first sentence can be found in *The Civil War in France* and reads: 'The working class knows that in order to work out their own emancipation and, along with it, that higher form to which present society is irresistibly tending by its own economic agencies, then it will have to pass through long struggles, through a series of historic processes, transforming circumstances and men.' And the second sentence is found in *Marginal Notes to the Gotha Programme*, where it says: 'Between the capitalist and communist society there is a period of *revolutionary transformation* of the one into the other. There occurs a period of *political transformation* during which the state can be nothing other than the *revolutionary dictatorship of the proletariat*'.

The first sentence illustrates the historical situation in which we now find ourselves: the transformation of things is moving forward at a rapid clip, the economic living conditions of the old society are becoming ever more contradictory, and the bases of a new socialist planned economy are becoming ever more visible. And this objective, increasingly rapid process of transformation is paralleled by the initially slower, but now just as intensive process, in which people are transformed. Not only the working masses are radicalised, but especially the middle classes. They have been torn away from bourgeois traditionalism and are increasingly hostile to capitalism. Finally, there is a general loss of faith in the capitalist system itself, so that ideas about the planned economy find increasing interest and greater recognition. And so the realisation of the second sentence on the dictatorship of the proletariat ever more clearly becomes a question of the breadth and depth of Marxist understanding as well as the readiness to act.

From this emerges the historical significance and the enormous relevance of left-wing socialism's task. The need for and justification of left-wing socialism's existence has long been to spread and defend Marxist knowledge and the formation of the will. The relevance of this task lies in its implementation being accompanied by an immediate increase in the strength of the proletariat even before the conquest of power, which is of decisive importance today in the face of the looming catastrophe of a victorious German National Socialism. In this sense, the *Call of the German Socialist Workers' Party* to all worker organisations for united action against National Socialism and for the setting aside of all party concerns and party egoism is *simply the demand of the hour*. Its rapid fulfilment will depend upon the fateful speed with which matters mature and with which the reactionary reordering in the strata of the bourgeois parties goes forward,

and it will determine whether the proletariat will once again fail to carry out a historically necessary action that will make the path to socialism much longer and more difficult.

Max Adler, 'Wie kommen wir zum Sozialismus?' 1932, *Der Klassenkampf* 6, (2): 33–40.

Otto Bauer

Class Struggle in Democracy (1928)

The second event of this week's party educational programme could be even more popular than the first. Hundreds of comrades, men and women, had to stand in the hallways and in rooms adjacent to the Julian Theatre in order to hear comrade Otto Bauer's speech on 'Class Rule and Class Struggle in Democracy'.

Comrade Dr. Bauer, greeted enthusiastically by the audience, was repeatedly interrupted by stormy applause as he spoke:

During the last few years, the Austrian working class has experienced what class rule and class struggle means in a democracy. Last year we fought our way through an election and saw even then the division of the people into two hostile camps. After the election all that remains is the bourgeois block on one side and the workers' party on the other.

15 July 1927 showed how sharp these antagonisms are.

There will be some comrades for whom this development has come as a surprise, because in 1919 they had imagined matters developing differently. We see today that the bourgeoisie dominates the republic we built. One wonders: How is that actually possible? What is the republic? The condition of the people's self-rule. How can it be that, in spite of this, there is still class domination in the republic?

Eighty years ago in the *Communist Manifesto* Karl Marx coined the phrase, 'Every government is merely the executive committee of the ruling class'.

Under the monarchy that was obviously not the case. The emperor, the aristocrats, the church prelates, the upper bureaucracy, and only a small part of the richest bourgeois had ruled. The sentence is far more applicable to today's republic than to the monarchy. In reality, for the first time, the bourgeoisie as a whole dominates the republic.

Is this due to the people's stupidity or do the causes lie deeper? One gets closer to the answer when one remembers that historically this situation has occurred before. In February 1848 the Parisian workers revolted, seized control of Paris, and founded the [second] republic. What happened to it? In June 1848 General Cavaignac crushed the workers. Later on the empire was restored. That collapsed on the battlefield in 1870, the workers rose again and forced the establishment of a [third] republic. Once again the workers thought they could dominate the republic but, once again, they were crushed and the French Republic remains dominated by the bourgeoisie.

We must ask: What is the basis of the bourgeoisie's power in the republic?

What first comes to mind is that the power of the rich rests on their wealth. There can be no doubt it is always possible for the capitalists to make the state dependent upon them to a certain degree. Even in the period of absolutism the richest citizens had influence over the state, because it needed their money. Through the means of state credits capitalists have always understood [how] to make all states dependent on them. We see repeatedly that state decisions of all kinds are always made with the impact on the stock exchange in mind.

Today, too, all governments shout: 'The state's credit may not be endangered!' One counts on the concern about the state's credit. To foreign capitalists it does not matter at all to whom they give credit, but the domestic capitalists can always get what they need by arguing it is a matter of the state's credit. For the bourgeoisie this credit has become a fetish. To secure their ends, the capitalists have well understood to influence a large part of the population in this way of thinking.

A second reason for the power of the capitalists is that they and the large landowners always appeal to the fear of the small holders and middle classes. The capitalists hide behind small property and in the name of small property they defend the rich. Every bourgeois party tries to use Bolshevism as an electoral club and to play the socialists of one country off against those of another.

But that alone still does not explain capitalist power. The capitalists in the republic still have enormous intellectual power in their hands. The capitalists' decisive instrument is in reality their control over heads and brains, which they exercise using appropriate people and organisations. In the *Communist Manifesto* Karl Marx wrote, 'The ruling ideas of any period are the ideas of the ruling classes'. What did Marx mean by that? The capitalist class understood to fill books with its ideas, to feed them to students in lectures, and to influence officials, teachers, judges, authors, and journalists. There are tens of thousands of people, who in good faith believe everything they are told to be true. They don't know that they are nothing other than agents of the bourgeoisie.

In this context, the speaker reminds us of the catchword of the people's community, which is constantly repeated to people along with the parody of class struggle in the minds of these bourgeois people. Not only the interests but also people's entire way of thinking varies. The capitalists have succeeded in convincing many people that the socialists are responsible for the class struggle. The ruling class creates this attitude using hundreds of means. It creates it through the press, through the pulpit, through art, through science, through simple repetition of certain ways of speaking so that the popular masses are gullible. It creates it through the enormous intellectual superiority still possessed by the capitalist class.

The bourgeoisie's [authority] rests on the unenlightened masses of the petty bourgeoisie and also many workers. When one grasps this, however, then one understands what it means for the republic. Those who had believed that the republic meant the domination of the working people, that it meant socialism, are now very disappointed. But that should not lead us to the belief that the republic is meaningless and has changed nothing.

The progressive aspect of the republic over the monarchy is embodied in [the fact] that, earlier, the power of the dominant classes rested on privileges and rights derived from military force; today the power of the bourgeoisie rests on its intellectual influence on the masses. The other progressive aspect of the republic, however, is that the democratic mechanism itself functions to destroy this superiority. Certainly, it will take many years. Between our situation and that of the French workers there is a huge difference. In France, after the destruction of the Commune, the bourgeoisie had a half-century to construct a republic before the workers recovered. But we have learned from history that we can't allow ourselves to slip into adventurism and that we in Austria have accomplished much. Our successes in Vienna and elsewhere mean that the possibility exists of practical work, through which we gradually can overtake the bourgeoisie's intellectual head start. It is important that we can and must take advantage of the power, the possibilities for action, and room for manoeuvre [within] the republic, in order to overcome the real basis of the capitalists' dominance: their intellectual superiority.

Earlier socialists had asserted that one could never arrive at socialism through democracy because people were not intellectually mature enough. Today it is different. This idea is refuted by the development of the workers' press. It is important to every bit of power that we conquer and above all to every bit of the self-consciousness of the working class.

Anyone who thinks independently and critically, anyone who is ready to reject the dominant ideas of the time and to immunise himself against bourgeois thinking, is a victory on the path to the conquest of power in the republic. If the republic brought power to others, it has also brought us many possibilities.

There are people who imagined the matter would be simpler than it is. The republic is, first of all, also the last and most mature form of bourgeois rule, but it is also a kind of maturation period in which the working class educates itself.

Of course, the economic power of the commonwealth places limits on the power of the working class. Of course, one will not be able to achieve socialism in a single country surrounded by capitalism. But we should not be faint hearted. In Austria we have just experienced that one can do something great when you control only one community. How much we could accomplish when we control the whole republic.

The republic therefore still embodies class domination over us, but it also embodies the possibility of struggle for the proletariat. Earlier, the emperor had hidden all the influential factors under his purple cloak. Today, there is no more emperor, and what is most important, the cloak is gone. Those who dominate us today must dominate us openly. At least every four years they must stand before the people and assume responsibility. That is the great value of democracy.

To rule today means to also assume responsibility. That is the great school and it depends only on us how quickly we complete it. Every step forward in our country is an example for our brothers in other countries. Marx had recognised that the working class will have to go through a great series of revolutionary processes. The working class has already participated in a series of such processes. Intellectual liberation, however, is the first prerequisite for the liberation of the proletariat, for the final overthrow of class rule, and for the transformation of the republic into a community for all working people. (Stormy, sustained applause)

Otto Bauer, 'Klassenkampf in der Demokratie,' *Arbeiterwille* Graz, 12 Jänner 1928 (*Werkausgabe* 6, 469–73).



The Prerequisites of Parliamentarianism (1928)

Shortly after 15 July 1927 I had the opportunity to speak with an English friend. This friend is an important and well-known teacher in England, who has won many high honours in English public life.

As his friend and sure of his circumspection, I thought it reasonable to tell him [things] confidentially, that I could not justify speaking about in public.

I described to him the events of the bloody July days. I told him about the negotiations that Mayor Seitz and I had carried out at that time, as representatives of the party executive and the trade union commission, with Chancellor Dr. Ignaz Seipel. I explained to him how, after the ending of the July strikes, members of the federal government publicised statements which had been expressed in confidential discussions, torn from their contexts and crassly distorted for use in agitation based on lies and hate.

My English friend at first listened quietly. When I finished the story he responded to me with a sentence that has remained in my memory because it is characteristic of the English mode of thought and expression. He said, 'I do

not believe that the parliamentary system is possible, where the leaders of the opposition cannot speak with the government as with gentlemen’.

To us that word *gentleman* has a bourgeois flavour. Not so to the English. From the mouth of my friend it means nothing other than decent, honest human beings.

Yesterday I repeatedly remembered this expression of my English friend. The conflict about the teaching curriculum in the middle and Hauptschulen reminded me of it.

We voted last summer for the constitutional law that made it possible to apply the new school laws across the whole country. But we did not vote for a law which could not have passed without our support without first demanding and then securing certain guarantees.

Among other things, we demanded that the curricular plans for the middle and Hauptschulen, which prescribe the complete content of the new types of schools required by the law, should not be dictated by the Education Minister arbitrarily, but by experts, who, appointed by all the parliamentary parties, jointly discuss matters and, where possible, work out agreements. That was not an immodest demand. It is certainly appropriate that the curricular plans of the middle schools should not be decreed without the agreement of the party which administers the Vienna school system – the system whose middle schools are attended by more students than the middle schools in all the other states combined.

In fact the government agreed to go along. The provisional curricular plans at that time were actually discussed and agreed to in this way.

Now, however, the Education Minister has decreed the final curricular plans without any preliminary discussion among the parties’ representatives and without drawing on our responsible expert representatives.

Herr Schmitz* claims he did not promise to call upon our responsible representatives to work out the definitive curricular plans. His promise only applied to the provisional curriculum.

At that time one had told us that the participation of our representatives in the working out of the curricular plans was assured. It may be that Herr Schmitz had only thought about the provisional plans [and] that his promise to include our people in the development of the plans may also have included the *Reservatio mentalis* – a silent proviso – that he only meant the provisional

* Richard Schmitz (1885–1954), a Christian Social politician, was Education Minister in Seipel’s fourth and fifth cabinets (1926–9). In 1930 he became Vice Chancellor and Social Minister in the Vaugoin government. In 1934 he was installed as the Mayor of Vienna by the corporate regime of Engelbert Dollfuss.

rather than the definitive one. But whatever Herr Schmitz had thought to himself – he did not say to us.

Calmed down by the idea that the curricular plans could not be approved without the participation of our experts, we voted for the constitutional law. We might not have done so if we had not been reassured. Perhaps we would not have done it, if one had said to us the assurances of the government apply only to the provisional curricular plans, those that are valid for one year, rather than to the incomparably important final plans.

If Herr Schmitz at that time had really only had the provisional curricular plans in mind, then he left us with this mistaken idea in order to sneakily get our votes for the constitutional law. Now, because he no longer needs our votes, he clears up the error.

One can understand why words of my English friend kept coming back to me yesterday as the conflict was underway in the National Assembly.

My English friend is right: No parliamentarianism is possible when the leaders of the opposition cannot engage with the government as with gentlemen.

The sad stagnation of our parliamentary life, the ebbing of energy to work, and the decline of parliament's reputation, show what happens to a parliament when it faces a government that in public life does not feel itself bound to the simple and natural laws that regulate the intercourse between decent people in private life.

Otto Bauer, 'Voraussetzungen des Parlamentarismus', *Die Arbeiterzeitung* (14 June 1928) (*Werkausgabe*, 7, 408–10).



Revolutionary Spadework (1928)

The Central Association of Austrian Sales Employees, as the first free trade union organisation, had donated a red flag of honour for the best spadework in the trade union struggle of our young employees. It will be presented every six months to the most successful group of young apprentices. The flag was awarded for the first time as a badge of honour for revolutionary day-to-day work at the celebration of Vienna's White Collar Youth on 12 February 1928, at which over three thousand proletarian boys and girls watched the inspiring events of the Russian revolutionary film 'Battleship Potemkin,' with the greatest enthusiasm. After the film screening, Otto Bauer gave the speech reprinted in this pamphlet.

A moment ago we were deeply moved to get a sense of the beginning, a prelude to a great revolution. And still we are assembled here to celebrate the everyday detail work, the quiet, small-scale, inconspicuous, to the outside world hardly noticeable work of agitation and organisation. We have gained in our minds an exciting vision of world history, but today we still want to celebrate a group whose greatest success is marked by the occasional winning over of a colleague, with the occasional recruitment of a young person to the organisation, or with the occasional winning over of two or three peers to the idea of trade union struggle and the struggle for socialism. Thus this morning we are linking the greatest with the smallest. Rousing world history is bound up with unassuming everyday work. That should make us think and should be the lesson for the present day.

The bourgeoisie has taught us that world history is a history of great men. In school we've heard of Alexander the Great and of Caesar, of Napoleon and of Bismarck; great men are shown to be the source of everything that occurs. But it is not true that great men make history. Great men rouse millions with their messages; great men can step forward as leaders when a great moment of world history has arrived. In truth, however, great men can only unleash energy that has grown and matured through quiet, unobtrusive, almost invisible work from man to man and woman to woman.

In school one told us about Napoleon's great victories, one told us that he had won the great battles and campaigns. No, a Field Marshal can organise his troops [and] send them to a particular spot best suited for the fight, but it is they who determine the outcome of the fight. Napoleon's troops were not a few Field Marshals; they were hundreds of thousands of French peasants who had just experienced a great revolution, who could feel under their feet the ground that the revolution had wrenched from the feudal lords. Peasants who were more or less aware that France was carrying the new order of the world into Europe on the points of its bayonets. That's why these French peasants fought.

Now imagine to yourselves how a Napoleonic battle was won. The Field Marshal drafted the plan, the masses fought. Think about the French peasant in the uniform of the Napoleonic army, as he and two others go on patrol in order to observe how the enemy marches. Imagine how this patrol sneaks up on the enemy, endangered with every step yet still moving forward. The enemy discovers them, shoots, and two are killed. Only one is still alive. But he doesn't run away or hide. He counts the number of enemy companies marching along the road. He knows how important it is to bring the information back to his unit. But he is again discovered and now needs to get back to deliver his report, back through water, forests, and swamps, while the bullets whistle in

his ears. And over there on the other side are the marching columns, marching all day and half the night through the desert sands of Egypt, on the snow-covered plains of Russia. They are dead tired but keep marching because they know: the main thing is that they, that every individual, arrives at the goal.

That is what wins the battles, not the great men, not even in the great engagements that occur once in decades. No, the individual who holds out, even when it is dangerous, who remains firm, even when he is dead tired, who withstands the cold and the heat, the storm of excitement and the deadly boredom of exhaustion, the fire of the enemy and the pangs of hunger and poverty, and still remains unbending and unmoved. Hundreds of thousands of such individuals win the battles, not Napoleon or Alexander the Great.

Only in our time is the view made clearer that what appears to us to be great in history was not accomplished by a couple of great men, but rather was only the result of the small, of the inconspicuous, of the imperceptible, carried forward by single individuals. It is worth noting how, today, all of science brings this fact more sharply into view.

At a time when humanity still dreamed and believed that a few great men make history, people looked up at the stars, and the science of that day, the time of Kepler and Newton, discerned how the planets, as large as the earth and much larger, moved around the sun, and how the giant heavenly bodies moved in the sky of fixed stars, people believed they were closer to understanding the mystery of the world. When they recognised the paths of the planets, they believed that the changing paths of the heavenly bodies determined the fate of each individual person.

Our time discovered that the great arises only from the small and the science of our day no longer simply surveys the great heavenly bodies; now it looks at the smallest, the tiniest, and the most unobtrusive. It has discovered the atom, the smallest particle, which is too small to be observed with a microscope. And now it is discovering the wonders in the atom, each one of which is a complete solar system with a nucleus in the centre around which circle small electrons, just as the planets go around the sun. All of that is so small that one cannot see it with a microscope, and when science wants to express the size of the nucleus and these electrons, it does so in terms of millimetres to the millionth place. And yet science today knows that in the tiny worlds revolutions occur just as in the larger worlds, and it knows that everything that we see in the varied, colourful splendour in the world is only the surface form of the revolutions of these small atoms. It knows that a big event, like a giant explosion that destroys a city or, even more powerful, a geological disaster in which the mountains quake and the seas sink, is nothing other than the result of the

simple accumulation, of the simple addition, of small, unnoticeable, hidden processes that occur in these tiny atoms.

Thus, the science of our day has sharpened our view that, in history as in nature, everything that happens in the world doesn't occur because of great men, single great events, [or] through gigantic collisions, but rather what matures in the actions of great men and in the great conflicts of world history, what finally becomes visible, is that which earlier often unfolded quietly and unnoticeably over a very long time in the smallest cells and the invisible atoms of the occurrence.

When we understand that, then for the first time we completely grasp how greatness occurs in the workers' movement. Of course, we, too, have our great men. We celebrate Karl Marx, Friedrich Engels and Ferdinand Lassalle, Victor Adler, August Bebel, and Jean Jaurés. We praise our great men and know what we owe them. But it is not they who have made history and no individual makes it. The books by Karl Marx would [just] be printed paper if thousands of blue and white-collar workers in the workshop, office, retail store, factory, deep underground in the mine and high up on the construction scaffolding did not pass the word and circulate fliers and pamphlets to one another. Lassalle, a mighty phenomenon, rose like a comet and then suddenly and in a short time sank into a tragedy that appeared to be senseless. What would have happened if those who heard him had not told the man here and the woman there, the young lad or the young girl, what he had kindled in their minds?

Whatever great thing has occurred in the workers' movement has not resulted from the action of some great men and also did not occur on one day of the revolution. Revolutions only bring to maturity what has already permeated [people's] heads for decades as a result of one man handing a flier to another and one woman communicating a new idea to another. This quiet work of recruitment from man to man, from woman to woman, lad to lad, and girl to girl, was the beginning. [It was] completely invisible, totally unnoticeable, just like the oscillations and movement of the tiny atoms that today's physicists tell us about. In the factories in the 1880s, workers secretly – it was strictly forbidden and when one was caught the punishments were harsh – circulated newspapers that had been smuggled in. When they caught him, they drove him from the plant and handed him over to the police; he had to sit in prison for years but still never gave in. From this small group of four, five, ten, [or] fifteen comrades, from this movement of the smallest atoms in history, from the smallest workshops and the tiniest groups a mass outlook gradually developed, the masses took shape, and accumulated the energy that fuelled the intense struggles over wages, the great political battles, and, when the moment was favourable, revolution.

Note the history of your own profession. It tells the story. We have recently celebrated the sixtieth birthday of Comrade Pick¹ and we remember what the situation of sales employees was like and how it changed. We remember the time when, for sales employees, there was no Sunday off and no vacation, no organisation or any protection, pitiful health insurance and no pension, no limit on the working day and uninterrupted work every day into the night. There was no possibility of living one's own life. Life was to work for others.

How did that change? How was it possible? Not just because a couple of representatives proposed legislation to the parliament, not just because of a couple of elections or stormy assemblies. No, matters changed via those tiny processes occurring in the atoms, through workers in every shop and in every office saying to one another that things had to change. From this invisible, imperceptible, small-scale work, which appears to be so negligible; from this person to person agitation – here and there to win a person over, to tear someone out of the idiotic narrowness of his or her earlier life – from this scarcely noticeable recruitment work from one to another; from the joy of winning over three new member to the organisation; from this alone comes the strength that can in a favourable moment go from success to success and thereby create a different life for people.

That is the only way to achieve successes. We don't hope for great men! Great men can only use the energy that is already present. We also don't believe that it is enough to stand by waiting until a great day comes because one can then fight a decisive battle. No, the energy can only be unleashed on the great day that has accumulated over decades. This person-to-person work of agitation and organisation is the day-to-day business that not only prepares but creates that which is great. It creates the energy, which, on one momentous day, can be brought to bear in a creative act. Not Napoleon but every single soldier in his army won the battles through his courage, tenacity, toughness, and his ability to hold out against opponents. It isn't the great geological catastrophe that reshapes the world; no, it is the small revolutions in the imperceptible atom, which can't even be studied without a microscope, which change the world and create the power that then one day is unleashed in a geological disaster. The small, the imperceptible, that thing we call spadework, is what is truly revolutionary. Because if the revolution always unleashes only energy that was already present, then it is this person-to-person spadework, in the smallest groups, which creates the energy from which the revolution springs forth.

1 Karl Pick (1867–1938) was cofounder and Chairman of the Central Association of Sales Employees (editor's comment from GA).

Today we wish to give a red flag to the person in your groups who has done the best spadework as a means of recognising those who are a model for others. What does the red signify in the flag that we are giving you? First of all, red naturally points toward the great goal for which we are striving. Red reminds us of the world as it is; it reminds us how, in the world of capital, wealth and power become ever more concentrated in the hands of the great trusts and banks, while on the other side poverty and need hold sway among the millions around the world who are unemployed. Red reminds us of the great struggle, the final battle between labour and capital, for which we are recruiting and arming ourselves. Red reminds us that this fight is not only a fight for a shorter workday and for bread, but it is a fight for more, for a new society in which one person should no longer take while the other gives, in which the great riches of culture, of science, and of art belong only to the few, while the masses are excluded. It is a fight for a new world in which the wild beast of competition will no longer drive people, nations, and armies against one another and in which the whole of human civilisation is threatened with destruction in destructive, bloody wars. Red reminds us of the struggle for a world in which people work together but also share the fruits together, where work once again becomes a noble thing, whether it is manual or intellectual, and in this way it will no longer be work for strangers but rather for the community of working people. It is a struggle for a world in which every man and woman can do their work with light heart and peace of mind because the work is no longer slavery but serves the whole community. That is what the red flag tells us. It reminds of greatness, of the great revolutionary struggles of the past and of the great world-changing fight that is our historical destiny.

But today we are giving this red flag, this symbol of greatness, to a small group of young people. With this act we want to remind them and everyone that it was not a couple of great [leaders] who are the early champions and whose names go down in history, but the little people, the unknown, who straightforwardly do their duty for the whole; they are the creators who make real what our flag symbolises.

When we hand our red flag over to our young friends, we not only want to thank them, but we also want to admonish and warn them. We want to warn you against [allowing] spadework, which is the destiny of us all, to become an end in itself, against taking it on in the sense that we no longer see it as a means to our greatest goal. There is no organisation in which one doesn't argue, no organisation in which one does not have differing opinions, no organisation in which there aren't two people who believe themselves worthy of being chief. We want to warn you about that. You should remember it is about the red flag

[and] not about whether the one or the other is correct, about whether the one or the other should become the chief or the secretary. Those are differences of opinion that naturally exist in every organisation. But don't get caught up in that; those are only means for the great end which supersedes all the petty stuff. That's the reason we are presenting you with the red flag. But if we are warning you that the spadework is a means to an end that should not become an end in itself, on the other hand with the red flag we also want to honour the nobility of this spadework, its greatness, and decisive importance. We want to make clear to ourselves that this spadework, this work of atoms, this movement of the small and invisible, which no book describes and about which no song sings, is the basis upon which we achieve greatness.

Only the fulfilment of this humble duty, which is the most difficult, this fulfilment of most tasks, not just for a couple of weeks, as long as it is pleasant, or because it is new, but on the contrary, doing one's job at one's post for a lifetime, in times when it is easy because things move forward quickly and in times when it is difficult because there are setbacks and disappointments, to do the work at all these times [allows one] to experience this joy: Here, I've torn a young lad out of the apathy and emptiness of his earlier life, where one knows nothing except the office and a little entertainment, and given him an idea and a goal in life; there I've won over a girl, removed her from her condition of ignorance, and won over a co-fighter. We want to give you this feeling of joy in this basic work, in this movement of small atoms through which great things are accomplished, by presenting you with this red flag, the symbol of the greatest thing we have, in thanks for the daily spadework, which you have so successfully carried out.

This morning, during which the film magically brought the great revolution before our eyes and which served to bring us together to honour spadework, should, therefore, make clear to us for the rest of our lives that it is from every individual doing his duty at the insignificant post where he stands; from the zeal, determination, passion, and the enthusiasm with which he carries out even the most minor tasks – here distributing fliers, there winning over a new recruit for our idea – it is from the carrying out of this most minor and insignificant work alone that the progress of the labour movement, which is occurring in all countries, the relations among working people, and, finally their liberation, is derived.

If we, therefore, present the flag of honour to your Brigitenau group, that should be a symbol of untiring, inexhaustible staying power, never frightened off, disturbed by vanity, limited by ambition, ready to do the spadework without public praise or profit of any kind. Such work brings no personal profit. This flag of honour should be the symbol of spadework, in service to the great goal

of working people, in service to the rise of the working class, in service to the preparation, the creation of the force, which reshapes the world at great historical moments.

That is what we want to honour today: the spadework in untiring service of the great [goal], the spadework on the road to liberation, on the road to socialism.

Otto Bauer, *Revolutionäre Kleinarbeit. Rede von Otto Bauer* 1928, Wien: Verlag des Zentralvereines der kaufmannischen Angestellten Österreichs, (*Werkausgabe*, 3, 583–91).



Austria's Economic and Social Situation (1928)

Five years ago, in June of 1923, when the trade union congress last met, it passed a resolution on the economic and social situation in which the first sentence described the restoration [of the economy] as a fateful delusion held by the bourgeois public. Today one must recall the circumstances and mood under which the congress met in order to fully gauge the significance of its warning.

In June 1923 a boundless optimism dominated bourgeois circles in Austria. A few months earlier, with the help of the Geneva Treaty, Seipel had successfully stabilised the [Austrian] crown.* If, at first, an increase in unemployment and a decline in business activity followed the stabilisation of the currency, 1923 was nevertheless a year in which business conditions markedly improved, unemployment fell noticeably during the summer, prices rose, and speculative activity on the stock market took off. These conditions caused tremendous optimism at the time. The whole bourgeois public really believed that the stabilisation of the currency meant the restoration of the economy. The men leading the government and economic institutions influenced public opinion and strengthened this illusion by all means. The League of Nations' General Commissar, Dr. Zimmerman, the Finance Minister Dr. Kienböck, and the President of the Currency Bank, Dr. Reisch, all viewed the upward movement of prices

* Ignaz Seipel (1876–1932) was a Catholic priest and Christian Social politician. Before becoming Chancellor in 1922, in that year he also successfully negotiated a League of Nations' loan to Austria.

and of the stock market as a sign that the cure, as one said, *had proven itself*, that the worst was over and Austria was really on the road to recovery.

Under the influence of these state leaders, a boom began, especially on the stock market, which drove the prices of Austrian stocks far higher than could be justified by the level of dividend payments or the rate of interest. At that time of unrestrained optimism the trade union congress had warned the bourgeoisie and predicted that this recovery was nothing more than a fateful self-delusion on the part of the bourgeois public.

A short time later it became terribly clear how the unions had been right in their warning. Three-quarters of a year after the congress an acute crisis broke out when speculation in [Swiss] Franks collapsed. From the stock market the crisis spread to the whole economy. Since then we have experienced a crisis of unprecedented depth: mass unemployment of unheard of proportions, the impoverishment of hundreds of thousands of families, the suffering of children, who for the rest of their lives will bear the scars of hunger on their bodies, hecatombs of human lives, hecatombs of the miserable, who saw no other way out of their despair and hopelessness than suicide. Through all these years, the Austrian working class has paid heavily for the terrible crisis.

It is no accident that 15 July was the starting point of the most difficult and most acute phase of this crisis. [It marked] the outbreak of that anger and rage which, long suppressed, had piled up for years; the outbreak of embitterment and degeneration of a proletarian youth which, finished with school, became unemployed and remained so for years before ever getting a job. It was also no accident that in the year of the most acute phase of the terrible crisis, the capitalists in some branches of the economy [and] in some parts of the country succeeded in resurrecting the old yellow [unions] under the new green flag, to rebuild the yellow movement, which was never anything other than a symptom of the demoralisation of some layers of the working class, a demoralisation which always results from crushing long-term unemployment.* For years we have experienced this terrible, deep crisis and it has shaped all the conditions of our struggle.

Periodic and Structural Crises

Today, when we again examine Austria's economic and social situation five years after the last trade union congress, we have to remember all the driving forces of this crisis in order to ascertain its ongoing impact and to be able to

* Here Bauer is referring to the green and white flag of the reactionary Heimwehr movement. The Heimwehr promoted pro-employer 'yellow' unions to compete with the social democratic free trade unions.

determine the degree to which it will influence the near future. On the basis of this knowledge of the economic facts we can develop our social tasks. In the capitalist economy there are crises of various types. There are the so-to-speak *normal* crises, which are bound up with the essence of capitalism, and the periodic crises, which occur over and over in the cycle of capitalism. It repeatedly moves from prosperity to economic boom, from boom to crisis, from crisis to long-term depression, and then again from depression to prosperity, boom, crisis, and so on, endlessly for as long as [capitalism] lasts. That is the normal course of the capitalist cycle; those are the periodic crises, which always temporarily occur, and will continue to occur, until capitalism no longer exists. But, next to these periodic crises, there are crises of a different sort, which are rooted in the whole economic structure of a country. I would like to contrast these *structural* crises to the periodic ones. The crisis which we have recently endured in Austria was not simply one of the normal periodic crises that come and go; it was a structural crisis, with its foundation in the peculiar character of the Austrian economy as it emerged from the war and the resulting destruction of the old Austro-Hungarian economic area.

Structure of the Austrian Population

If we wish to clarify for ourselves the structural character of the crisis we have experienced and with which we are still dealing today, then it would perhaps be best if we begin by surveying the segmentation of the Austrian population at the start of the crisis. It is very interesting to compare the population of the territory of today's republic, as of 1923, the last year before the acute crisis, with that of the same territory in the pre-war era, say in 1910, the year of the last census prior to the conflict.

When we employ this comparison – I will introduce only a few statistics here – then we see the following very characteristic picture. In 1910, the number of people in the territory of today's republic totalled 6,645,000. In 1923 it was 6,534,000, so about 100,000 fewer. That was the consequence of the war. But the population in 1923 was structured very differently than in 1910. In 1910 we had 1,984,000 people under the age of fourteen, children who were not capable of work. In 1923 we had only 1,634,000, about 350,000 fewer children younger than fourteen than in 1910.

Matters were completely different with the working-age population, whereby we designate those who are over fourteen years old as ready for employment. In 1910, the number of working-age people on the territory of the republic totalled 4,661,000 but in 1923 it came to 4,900,000. So, although in 1923 there were 100,000 fewer people on the territory of the Republic than in 1910, there were also a quarter million more people old enough to work.

That is a consequence of the fact that, through the fall in the number of births during the war and in the postwar years, the whole structure of the population had changed.

That is the fact, therefore, from which we must begin. In 1923 there were a quarter million more people of working age and this quarter million needed employment, they needed to work. In the face of this need, however, stood industry, which had just been hit by an unprecedented catastrophe. Through the disintegration of the old Austro-Hungarian economic area, industry suddenly lost seven-eighths of its market territory. Created to supply a territorial population of 50 million people, now it is supposed to survive in an area with 6.5 million. After the war, the old markets were closed to us through bans on imports and high tariffs. For a state to lose territory and a part of its old trading zone after a lost war is nothing new and has occurred often. But that only 6.5 million would remain from a population of 50 million [and] that seven-eighths of the old trading area would be lost is something totally extraordinary, a disaster of unheard of dimensions.

It is clear that [this situation] had to express itself finally in large numbers of people being unable to find work and, therefore, in massive unemployment. Indeed, that did not appear immediately after the war. Initially, in the first years after the war, this economic fact, the basic fact of our entire economic life, was masked by inflation.

We again have had the old experience, which one had known from earlier inflationary periods: Every inflation works like a protective tariff and like an export premium. Inflation made it much easier for our industry not only to claim the home market, but also to compete in the world market; inflation led to the widespread founding of new enterprises and brought employment to large numbers of workers. And so, in spite of the basic reality, which must lead to unemployment on a large scale, we were able to mask our poverty by means of inflation.

Indeed, as inflation ended and the crown was stabilised, unemployment had to pick up. But it did not increase immediately. In 1922, when the crown was stabilised, its domestic buying power was significantly higher than the exchange rate at the moment of stabilisation. As a result, the domestic price level, measured by world market standards, was extraordinarily low. Therefore, after stabilisation, Austrian industry also remained competitive on the world market to a very large degree; exports continued to boom; a period of adaptation set in lasting from the fall of 1922 until the spring of 1924, a time of relatively low unemployment – though higher than during the inflation. This was a period in which business was relatively good, a time of unrestrained optimism of which I spoke earlier.

But such a moment never lasts long. Domestic prices adjust to world market prices through the medium of foreign trade. After a time, the domestic buying power of the crown has to fall to the approximate level of the stabilised exchange rate. As soon as that occurred, industry's artificial export premium ended and the basic reality of our economic life, illustrated by mass unemployment, had to assert itself.

Indeed, other circumstances made that [reality] still worse. On the one side, it was sharpened by a careless and outrageous policy that fuelled the optimism of the time between the fall of 1922 and 1924 and led to the stock market's rapid rise, its sudden collapse, and thereby the most acute form of crisis. On the other side it was intensified by high protective tariffs imposed on neighbouring states and sharpened in that period, as well as events abroad, [such as] epoch-making currency devaluations and, above all, the terrible crisis in Germany, which occurred after the stabilisation of the mark, and, finally, though disturbances in international trade, which emerged after inflation reared its head in other countries, especially in France. All that had intensified the forms and dimensions of the crisis. In essence, however, its basic cause lay in the structure of the Austrian economy: a substantially increased number of people seeking work had entered into an economic territory which, as a result of the old monarchy's collapse, has lost seven-eighths of its markets.

The End of the Crisis?

From 1924 until 1927 we experienced the crisis. In contrast, since 1927 we can see undoubted signs that the crisis has bottomed out and that production is increasing – indeed, not simultaneously in all branches of production, not in all industries to the same degree, very slowly, and not without setbacks, but nevertheless it is occurring. For our observations here it is very important to make clear to what extent we might assume this increase in production distances us from the low point of the crisis.

In this regard I would also like to use some population statistics as a starting point. Between 1924 and 1927, our population in the territory of the republic grew by approximately 180,000. At the same time, however, a further change in the make up of the population occurred. The proportion of children under the age of 14 to that of the working-age population, which had changed so mightily between 1910 and 1923, undoubtedly changed again between 1923 and 1927. In the latter years the number of people unable to work, hence children up to the age of 14, increased in numbers approximating those born between 1923 and 1927 – as we all know, a small number. In contrast, the number of working-age people, the population over 14, increased in numbers similar to those born in the pre-war years from 1909 to 1913, which was, as we all know, a significantly

larger number. Therefore, the shift must have continued. In 1910, 29 percent of the population consisted of children up to the age of 14, in 1923 only 25 percent, and in the years between 1923 and 1927 this proportion – we do not have the exact numbers yet – must have fallen far below 25 percent. That means, if our total population has grown by 180,000 in the crisis years between 1923 and 1927, then by far the largest part of this growth must consist of people of working age and only a very small part consists of children under 14. During the years between 1923 and 1927, there had to be significant growth in the number of people looking for work.

We can certainly assume that, of this growth of 180,000 people in the crisis years, at least 140,000, and probably no less than 150,000, were of working age. Now, of course, one may not conclude that [this number] would consist only of blue and white-collar workers, because of this 140,000 to 150,000 a significant portion would be allotted to other classes of the population, to the self-employed, whose numbers increased in the crisis years since blue- and white-collar workers who cannot find work try to make themselves *independent*. Additionally, peasant households have a large number of family members who help out. But a much larger portion – one can probably estimate that it must be close to 80,000 – must consist of white- and blue-collar workers. Therefore, we must assume that in Austria in 1927 a minimum of 80,000, but probably 90,000 more workers needed work than in 1923.

However, if you compare the movement of unemployment statistics from 1923 to 1927, then you see that the number of our unemployed – if I count them all together without limiting myself to those on [public] support but also including the old who are on pensions – in 1928 is about 40,000 to 50,000 larger than in 1923. That means that the number of those needing work grew between 80,000 and 90,000. The number of unemployed, however, those who could not find work, came to only 40,000 to 50,000. From that one can conclude with certainty that the number of workers must have risen during that year.

Therefore, the improvement of production, which has occurred since last year, must have been so pronounced that today about 40,000 more people are employed than were working in 1923, before the acute crisis. Further, that means that over the last year a very considerable growth in production must have occurred, an increase that was capable of absorbing a not inconsiderable proportion of the increased [number of workers], a growth in production that not only returned [us] to the level of 1923 but exceeded it. That is, in spite of everything, a significant thing, because it warns us not to access the improvement in production only according to the judgement of the employers or according to the number of unemployed. We should not forget that there are now more people who need work than four years ago.

This judgment will become all the stronger if we remind ourselves that Austrian industry has, at the same time, experienced a process of rationalisation, so that the increase in production must be even more pronounced than the number of workers allows us to guess.

Rationalisation

Rationalisation has its own place on the Congress's agenda; therefore I will not talk about it here at length. But, still, I must make a few remarks in this context.

[We know] from long experience, going back to the dawn of the factory system itself, that capitalism makes up for any shortening of the work day and any increase in wages on the one side by means of technical progress which replaces labour power with machinery and on the other through coercion to work more intensively. The higher the wages, the more profitable it is to replace human labour power with workers made of steel and iron; the shorter the labour time, the more capitalism can squeeze from the body, the muscles, and the nerves of the workers per working hour. It has long been a given: an increase in wages and any shortening of the working day soon results in the intensification of technical progress and pressure to produce more intensively. One can say that, since approximately the 1840s, capitalism has developed in this way: from very low wages and terribly long workdays at low levels of labour productivity using backward production technique to higher wages, shorter workdays, and, at the same time, to improved production techniques and to more intensive labour output.

We experience again and again what the entire history of capitalism teaches. After the war, the working class won a shortening of the workday to eight hours and also, in our country, vacation time. At the same time it had carried out a series of social and political achievements. Around the world, capitalism responded with rationalisation, which is nothing other than a combination of technical change – replacing workers with machines – with coercion to increase the intensity of labour. That is a worldwide process unfolding everywhere and it would be petty bourgeois utopianism to believe it possible to exclude Austrian industry from this process, especially Austrian industry, which, at a level of productive development that the industries of the other countries had surpassed, to a particularly large degree has to compete with its products on the world market. We should not deceive ourselves: this technical transformation and the transformation of the intensity of labour is unfolding in Austria much later and in much smaller dimensions than elsewhere.

And for good reason: above all certain methods of rationalisation are usable only in accordance with the scale of the economic area and mass production. It follows, therefore, that it is only of limited use in Austria's small economic

territory. But, secondly, rationalisation in Austria is hindered by the shortage of capital, which prevents firms from technically transforming their plants. The process had certainly occurred in Austria later and to a lesser degree than elsewhere, but nevertheless it has unavoidably come to pass here as well. But one must be clear: in Austrian industry this process of rationalisation means that the same output can be achieved with fewer workers and employees; therefore, the increase in production does not result in equal measure in a rise in the number of employed – indeed, in many cases it goes hand-in-hand with a diminution of employment.

If we imagine now that in the last one or two years the rationalisation process has unfolded in a whole series of Austrian industrial branches to a significant extent, then the numbers to which we had referred earlier take on a different meaning. It becomes even clearer that, if the number of unemployed here is now about 45,000 more than in 1923, even though the number of workers needing employment is about 80,000–90,000 larger and although tens of thousands undoubtedly were pushed out of the factories by rationalisation, production in recent years still had to rise considerably. Then we would be on our guard against judging the upward movements of the past few years only according to the unemployment figures or according to the complaints of the capitalist bosses.

The World Economic Outlook

What is the current situation? Obviously the crisis has bottomed out. But might we claim that our economy is experiencing a steady upswing and that we are gradually entering a period of consistently improving economic trends? That would be a rush to judgement. We should not fool ourselves: our industry is especially dependent on the conditions of the world market and on world economic trends because we are only a remnant that has emerged from the collapse of Austria-Hungary. For that reason our industry has to sell a larger share of its products abroad than any other industry on the continent. Therefore we are naturally highly dependent on business trends abroad.

Now it is extraordinarily difficult today to foresee the economic outlook outside the country and in the world economy with any degree of accuracy. The leading country of the post-war capitalist world, the United States of America, is now in the midst of a boom that began quite a while ago in 1922. Recently it has begun to show signs of weakening. But that could also be simply a temporary slowdown in the midst of a [longer] period of prosperity. Therefore one may not conclude that America is on the verge of a crisis. But the period of prosperity has been ongoing for some time and according to all our past experience it is very probable that it will end in a crisis sooner or later. When

the crisis comes to America, all of Europe will naturally feel the intensified American competition and it will set us back.

But in Europe, too, the future is very uncertain. The improvement that we have seen in Austria is to a large degree influenced by the upward development of the German economy in recent years. Now, in the last few months, Germany also has exhibited a noticeable economic slowdown. That, too, might just be temporary, but it does give the impression that [Germany's] staying power has been so weakened by war and inflation that, after a relatively short period of prosperity, crises are looming. If this presumption is correct, it could make a setback emanating from Europe more likely.

We must not let the clear signs of our country's improvement, which we no doubt observe, deceive us; setbacks could strike us from without. But should that occur and should we thereby slip into a crisis, then it would be just one of those periodic crises of capitalism that cyclically come and go. That would be unrelated to the problem we are now exploring: Are we able to overcome the structural crisis of the Austrian economy, which is not a temporary one? The resolution of the structural crisis certainly can be interrupted, slowed, or made more difficult through the outbreak of those normal periodic crises of the world economy. But that is above all the problem that interests us: whether the wounds caused by the dismemberment of the Austrian economy's old economic area can be healed [and] whether the Austrian economy's structural crisis is in a process of healing.

And in that regard I wish to say, nevertheless, that a great many important facts – to which I'll direct your attention today, because they are of decisive importance for the near-term development of the Austrian working class – indicate that the Austrian economy has now passed through the worst of its structural crisis.

Upswing in Agriculture and Industry

Note these strictly economic facts: there is no doubt that our agriculture, which the war hit particularly hard, has been able to raise its output step by step over the past few years. In general it has reached the per-acre output of the pre-war period again and to some degree surpassed it. Individual branches of our agriculture have developed beyond the pre-war level and, as a result of greater flexibility, which our farmers learned from wartime experience, we are now undoubtedly in the midst of a phase of slow, but happily upward movement of our agriculture.

That, too, can be interrupted, but in general agricultural production is growing and from year to year that means a gradual expansion of our industries' domestic market.

On the other side, however, it is clear that our industries' ability to export, to compete on the world market, is also gradually improving. There are various reasons for this. Most importantly, Austrian businessmen have had to learn – and you know how difficult it is for them to do that – to completely reorganise their marketing organisation. Before the war, they were not used to exporting [goods], but on the contrary were accustomed to supplying the domestic markets of the old Austro-Hungarian tariff zone.

To replace these lost markets, they are now gradually learning to find new markets in the successor states of old Austria-Hungary. That requires, of course, a complete reorganisation of their whole commercial apparatus, which can only occur gradually. But whoever looks at our trade statistics cannot doubt that it is occurring, that the proportion of our exports to the successor states is steadily falling and the proportion of exports to the so-called old-abroad – i.e., those areas outside the former Austro-Hungarian monarchy – is steadily rising. What explains this, of course, is that the merchants and industrialists of our country are gradually learning to open new markets.

In addition to that, the gradual, partial overcoming of Austrian industry's technical backwardness consequently improved its competitiveness on the world market. Moreover, the fall in interest rates, while terribly slow, somewhat reduced the burden of interest payments, which oppresses Austrian industry, raises its production costs, and is co-responsible for its lack of competitiveness. Other circumstances also contribute to improving our industry's ability to export.

International Cartels

In this context I also must briefly mention the development of international cartels, because it is important to a range of industries. There is no doubt at all that the development of international cartels has significance for the industry of a country as small and weak as Austria. This is because the larger the country and the stronger its internal market, the more profit cartels can make in the domestic market while selling abroad at cut rate or dumping prices. A large industry in a big country, like the United States or Germany, can do that. Austrian industry can never do it, because the internal market is too weak to compensate for export losses. The resulting exclusion from the competitive dumping on the world market, which occurs in part from the development of international cartels, doubtless [provides] a certain amount of security for a weak industry like that of Austria. To a certain extent it eases the process of adaptation in which it is engaged.

That does not mean that we should sing the praises of international cartels. Austrian workers, too, have already encountered some of the dangers they

cause. For example, the workers from Zeltweg, where the Alpine Montangesellschaft recently closed its rolling mill because it has shifted the provision of the Austrian market over to its Czech ironworks, already know a song to sing about the threat of international cartels.

On the whole, however, one must conclude that a development is underway, that, as a single example easily could show, eases the increase of production.

Taken together, one sees that a very slow movement in production is occurring, which indicates the possibility, through the strengthening of export capability, on the one hand, and the widening of the domestic market – and thereby the job-creating potential of Austrian production – on the other, of more effectively using enterprise capacity and of employing more white- and blue-collar workers. The process is moving forward very slowly, indeed extraordinarily slowly, and we should probably rest our hope for improvement on the long view, unless something happens which, from the workers' vantage point, strengthens the trend. And that [brings us] to the fact to which I'd like to direct your attention today. We are now at the turning point of a movement which has had great significance for the whole development of the economy and, above all, of unemployment – and that is the movement of population.

The Turning Point in the Movement of Population

Until this year, the number of white and blue-collar workers seeking work in Austrian industry rose very rapidly on an annual basis because we had to deal with the cohorts born in the pre-war period of higher birth rates. After 1929, however, smaller cohorts from the war years, when birth rates were much lower, will arrive on our labour market. Between 1929 and 1933 about 200,000 fewer workers will enter the labour market as in the previous five years. That will have a noticeable effect. To be sure in the next few years it will not have much impact on the labour market for adult workers, but rather on apprentices and young temporary workers. Nevertheless, in my view the worst and most dangerous manifestation of unemployment, namely youth unemployment, will disappear.

For a time we will probably have the opposite problem: a shortage of apprentices, or at least the masters will scream about such a shortage. Thus, over the course of the next four years, there will be an improvement on the youth labour market. But that will gradually also make itself felt on the labour market for adults. It will be so noticeable in the small business sector over the next one to three years that the masters will no longer be in a position to lay off their apprentices and immediately replace them with new ones at the end of their apprenticeships, because new ones will be hard to find. In this way, unemployment will ease. The more the process progresses, the greater the impact of these

smaller worker cohorts on the adult labour market, and from 1933 to 1937 we will see that from year-to-year fewer workers over eighteen will enter the work-force.

I think it is extremely important to recognise what this means. We can expect that, barring setbacks caused by periodic crises, if on the one hand the employment capacity of Austrian industrial production gradually rises, and on the other the number of people needing work declines, [then] over the next eight years the number [of workers] on the labour market will decline (over the first four years among youth and over the next four among adults). My opinion, that over the next eight years the structural crisis of Austrian production will be overcome, rests above all upon this [expectation]. That is not an exaggeratedly optimistic view, because we all know how terribly long eight years can drag on for the victims. But it is on the other side the source of confidence that in the course of these eight years a gradual, step-by-step improvement of our situation will set in. We have lost seven-eighths of our market area. It is very clear that a country that has had such an experience can only overcome the catastrophe and heal its wounds gradually through a difficult, slow process of adaptation. We are now living through that process.

The difficult crisis years from 1924 through 1927 were a time of the most acute sickness. Today we are still sick, truly sick enough, but we can also see that the process of recovery has begun. While we also have to reckon with the fact that it will take a while and that we will need many years until we can speak of a real cure, of a real restoration, still it seems clear to me that we can believe with a very high degree of probability that the economy will gradually recover.

It is upon this assumption that we have to draw our conclusions and base our trade union and party policy, the policy of the working class as a whole.

The Development of Wages

The first great concern that we have to talk about is that of workers' wages and employees' salaries. The Austrian working class has emerged from the period of inflation with wages at a much-reduced level. Expressed in gold values, at the end of the inflation wages and salaries were particularly low. Thereafter, in the period immediately following the inflation, the unions succeeded in raising wages substantially. Right after the stabilisation of the crown, as equilibrium was established between its domestic buying power and its foreign exchange rate, a wage movement had improved wages relatively quickly. Then, when the acute crisis occurred, the wage movement ground to a halt. In 1925 we had relatively few wage movements and relatively few successes. In 1926, at the lowest point of the crisis, wage increases had come to a virtually complete stop. Nevertheless, in 1927, as the first signs of [economic] improvement appeared,

the wage movement immediately reasserted itself and today we are again in a period in which wages have gradually begun to rise.

In that regard, very characteristic fluctuations have occurred. During the inflation wages naturally were able to rise most significantly in the export sector, which received a boost from the inflation. At that time the metal workers – who were always ahead of the others – were the most envied, while all those who simply worked for the domestic market appeared comparatively disadvantaged, especially those employees working in the public sector.

Then, in the crisis period, it was reversed. At that point the export industries were hit hardest; it was there that unemployment was highest and it was most difficult to raise wages. These industries now fell behind, while workers who worked exclusively on the domestic market and did not have to deal with foreign competition were able to achieve wage increases even during the crisis. The wage movements of public employees, who are affected least directly by the ups and downs of the economy, drew the most attention at the time.

Today things are changing again. In proportion to the extent that the crisis eases, fluctuations occur. If we observe all these wage movements, we must assert that the Austrian unions have accomplished something unparalleled at any time and any country. Because anyone familiar with the history of the labour movement knows that, in earlier times, every crisis brought with it a complete or partial collapse of wages; one could never speak of raising wages. Moreover, when you look at European countries outside of Austria, then one must note that, in a whole series of them, crises were accompanied by deep wage cuts, the collapse of social and political achievements, and the lengthening of the working day. In Austria we succeeded in hindering that, and if, as Hueber* said in his opening speech, during the crisis years we were unable to move forward ... and were only able to defend the wage rates and to hold fast to our social achievements, then that is doubtless a mighty success, a greater one, than the young workers, who are unfamiliar with the past, could know.

But, nevertheless, we dare not let that blind us or play down the fact that as a consequence of all that has beset the economy, Austrian workers are living at wage levels significantly lower than those of all of Europe's major industrial states – not to speak of America. That, of course, leaves us with the task of teaching the workers the practical conclusions to be drawn from this knowledge. That won't be easy. On Monday a Vienna newspaper, the organ

* Anton Heuber (1861–1935) was co-founder of the Austrian trade unions movement and long-time Social Democrat. In 1893 he served as the Secretary of the Trade Union Commission, he was an SPÖ representative in parliament, and from 1928–31 served as co-Chair of the Federation of Free Trade Unions (editor of the *WA*).

of President Sieghart,* noted, to be sure with a gibe against the trade unions, that the wages of Austrian workers are especially, miserably low, despite the strong union movement. On the same day, the same Mr. Sieghart allowed the *Veitscher Magnesitwerke*, which he partially controls, to lock out 800 miners, because they wanted to improve the very low wages he had recently decried. We won't rely on the outlook of these entrepreneurial gentlemen. We are talking about workers' perceptions when we say that this wage level is below the European benchmark, and that, in the same proportion, as I assume and hope the gradual process of recovery from the lowest point of the crisis in the individual branches of the economy is underway, it must be possible again for Austrian workers to raise their wages to the European level.

This must be said right now to Austrian workers for the following reason: We have a working class from which large numbers joined the workers' movement first during the war or the post-war period. These masses have experienced the period of inflation in which one could push through a wage increase every month or, for a while, every week. These were, as we all know, only nominal increases, because the wage hikes were in a currency daily losing value. At that time, however, the broad masses understood the pressing necessity for the trade union movement and the unions had grown enormously. When the period of crisis and of unemployment set in, as the crisis made it impossible to raise wages for years, the broad masses of Austrian workers could no longer understand the purposes of the unions, because they had not had the schooling of the pre-war years. As we all know, at that time our trade union movement suffered painful losses in membership. Thus, it is rather characteristic that in the same period of crisis in which the unions have lost hundreds of thousands of members, our political organisation has seen a rise in membership that is without parallel either here or in any other country. This is rooted in the fact that in a period in which the unions cannot directly lead in the struggle over wages, because the crisis makes that impossible, workers' attention is largely diverted from the momentarily impossible union struggle to the political one. But today we must warn Austria's workers against this way of thinking. Today we must tell them that the economy is now on a course that lets us hope we are entering a time in which we will not be able to raise wages every month, as in the inflationary period, but in which the unions will gradually regain the fighting strength that will empower Austrian workers to achieve wages at the European level.

* Rudolf Sieghart (1866–1934) was a finance expert, university professor, and President of the Bodencreditanstalt (editor of the *WA*).

Therefore this congress must convey to the masses of Austria's blue- and white-collar workers that we are now at a turning point in our economic development because, compared to recent years, the trade unions' ability to act is gradually improving. Every effort must be made to seal up again the holes torn in our trade unions' armour during the time of crisis and to struggle in the years ahead to build a union organisation that is in a position to raise Austrian workers' wages and hence their standard of living to the European level.

But we should not deceive ourselves about this matter by reducing the significance of political struggles over the next few years. On the contrary: Certainly, we have to do everything to promote economic conditions that will allow us to move forward in the struggle over wages. But we have to be clear that we will encounter many obstacles in the coming long years of struggle, above all the problem of our country's economic weakness, which can only gradually be improved. We won't deceive ourselves, that, even if we can fight successfully for higher wages, in the foreseeable future we will not be able to overcome the workers' higher living standard in Europe's western and northern states.

The reason for this is simple: Austrian industry has to compete with the industries of the whole world on the world market. It does this with plants that are incomparably smaller, technically more backward, have a less favourable location, and are more burdened by interest payments than the factories of other countries. It compensates for these disadvantages via lower wages. And therefore all struggles over wages here are subject to a barrier, one that is not fixed, but can only be pushed back in a long, gradual process. We won't deceive ourselves about that and we will also draw important conclusions: if our workers are not to lag economically and culturally behind those of other industrial countries, we must place more value on defending the buying power of our wages so that the nominal wage and the real wage parallel one another as closely as possible. It follows that, for us, in coming years the political struggle to defend the buying power of monetary wages will be of decisive importance in two areas.

Tariff and Trade Policy

Next we turn to the area of tariff and trade policy. If, despite his low wages, the Austrian worker is not completely impoverished, it is thanks in part to the fact that we have succeeded in hindering at least the excesses in Austria's tariff policy, which have driven the cost of living through the roof in other states. That is a challenge that is becoming increasingly important. The Austrian government has just signed a trade agreement with Hungary, which sacrifices important industrial interests and hurts workers and employees just to raise the level of grain tariffs. Now the Austrian government is negotiating a trade

treaty with Yugoslavia in which it is prepared to abandon even more important industrial interests in order to raise the tariffs on cattle and meat. We must fight against this tendency in our tariff policy.

Tenant Protection

As we know, however, another thing is even more important. If the buying power of the Austrian workers' wage is still relatively high, then above all we can thank rent control. The scaling back of rent control at wage levels that are lower than those of other countries would mean the complete impoverishment of Austrian workers.

I won't discuss the various measures that would be necessary to reduce unemployment, to speed up that process of organic, automatic absorption of the unemployed, which can only take place over a time-span of many years, but allow me to point out one thing, because it seems to me to be of particular importance to our current situation. The most noticeable fact in the movement of unemployment in Austria is the enormous difference between its development in Vienna and in the rest of the federal states.

Unemployment in Vienna today is hardly much more than in 1923, but in the federal states it is more than twice as large as in that year, although the industries that first felt the benefits of the improving business cycle are almost all based outside of Vienna, for example, the iron and steel industry, the chemical industry, the paper industry, and so on. What does that mean? One can only explain this difference by means of the productivity of the Vienna community, especially in the building sector.

We don't forget that before the war the construction workers were, after the agricultural workers, the most numerous group of workers. It is surely impossible to really limit unemployment if one does not develop as many public construction projects as possible. Thus the question of public works comes to assume decisive importance in our struggle because it is [the issue] most directly connected to rent control, a fight in which we will soon be entering a new phase.

But the fight for rent control is not just a struggle over whether one pays more or less for an apartment; it is above all a fight about *who* will do the building. If one wants to have rent control over the long term, one must have public building programmes that satisfy demand. If one does not wish to build public housing, then one must reduce controls over rent in order to rekindle private construction activity. The government is doing neither. Indeed, it wants to reduce rent control enough to add to renters' burdens, but not enough to stimulate renewed private building. It rejects public works, but at the same time doesn't dare to recreate the preconditions for private construction. This

is unbearable. The situation in which we find ourselves is intolerable. It is the result of the balance of class forces in the parliamentary struggle, in which we Social Democrats were strong enough to achieve what was necessary for the continuation of rent control, namely a satisfactory level of public construction not only in Vienna, but also in all of Austria. [This was accomplished] not with borrowed money, because that would presuppose apartment prices that the workers could not afford, but rather out of public funds. The current situation cannot be sustained in the long run.

It is very likely that within a few months this question will become a major issue in Austria if the government raises the rent control question anew. Therefore I want to point out to the trade unions that here the effort will not only be to hinder the reduction of rent control, but to create the preconditions for enough public works to secure the continuation of rent control and also combat unemployment.

Aid to Workers on the Land

There are still more things that will be of no less importance to us in coming years. In earlier times our working class was drawn from the constant stream of rural migrants. Peasant sons and rural workers steadily moved into industry. In recent years this process of development certainly was reduced, but it did not end. And now if we have to assume that this balancing process will last for a series of years – I have spoken of eight – and that our urban labour market will be over saturated, then our greatest concern must be to prevent excessive migration from the countryside from rendering ineffective the absorption of unemployed workers and from making unemployment eternal.

It is now necessary to talk about that at exactly this moment for many reasons. First, because the industrialists in many regions of Austria, without being disturbed by the government, are now doing exactly the opposite of what they need to be doing. While the farmers are constantly complaining about a shortage of people in the countryside and unemployed cannot find work in the cities and industrial centres, in some areas of the country, especially in the Oberstiermark but also in other areas, efforts are made not to give newly available jobs to unemployed workers but rather to bring in peasants' sons from the countryside, because they can of course be more easily pushed into the yellow [union] organisations. If we had a government that had even the most elementary sense of responsibility, it would oppose this [policy] because it obviously makes no sense that workers purposefully denied employment are supported with public means, while others get the opportunity to work who are able to live without public support and could remain employed in the countryside. It is very clear that the question of the organisation of the labour

market and of the employment agency against such policies can no longer [be allowed] to disappear from the agenda.

On the other hand, it is equally clear that we can't slow the flight from the land, which we fear as long as the labour market is saturated, by any other means than helping rural workers with all our might to achieve a social situation in the countryside that is bearable.

For years we have supported our rural workers as much as we can, above all in their struggle against their being driven from their jobs by the intentional luring of more foreign migrant workers than necessary. We can say that this struggle has not yet met with the desired success, but still it has not been completely unsuccessful. Moreover, we have to make clear to the whole industrial workforce that helping rural workers is in its interest and defends their labour market, above all now in the fight for rural workers' insurance, which is now on the parliamentary agenda and will soon be a matter of current interest. We have to do everything to fend off the disgraceful ways in which rural workers are treated, just as the current government dares to treat industrial workers.

Move Forward with Old-Age and Disability Insurance

Beyond that, due to the overloaded labour market we must concentrate our forces above all on the implementation of our social and political demands. In particular, the scandalous means test, through which one derails the unemployment insurance law, must be eliminated and old age and disability insurance must finally come into force.

I would like to point out that, in this respect, we also have to pay attention to our population statistics, which make this issue especially significant. In 1910, in the territory that now makes up Austria, 626,000 people were over sixty years old. In 1923 the entire population of Austria was about 100,000 fewer than in 1910. But the number of people over sixty in that year was about 50,000 more than in 1910. Here, too, a wholly different context than earlier is revealed. This has to do with the rising surplus of births sixty years ago; the cause [of which] lays further back. Whatever that might be, the fact is that the old people today form a much larger part of the population in spite of the massive losses during the war. This also impacts the labour market. As brutal as some capitalists might be in putting their workers on the street during the crisis, it remains true that a very considerable share of our working class consists of old people, and it is simply impossible to create room in the factories for young family men with small children as long as one forces the aged back to the lathe despite their having an honest claim to a secure retirement. Therefore, when we fight for old-age insurance, it is also a question of the labour market.

We harbour no illusions about the inadequacy and poverty of old-age insurance. Maybe it is not all that bad if one compares it with foreign pensions. In rich Switzerland the bourgeoisie wants to pass an old-age insurance law that grants to every older person a claim to a pension of 200 gold Franks (300 Schillings) *per year*. It is worth mentioning [this], because we don't wish to fool ourselves: as inadequate as our successes are, they are only [so poor] when measured by what the workers might justifiably demand, but they are no worse than what previously has been achieved by workers' parties in other countries.

The workers' insurance law is, of course, totally insufficient when measured by the needs and expectations of the working class. Nevertheless we must demand that it becomes law as soon as possible, because we want to first create a foundation. When it is built, then we will over time win improvements.

But it isn't just about old-age and disability insurance. Other items are included in the workers' insurance law, above all the creation of a new category of wage earners, which means, at least in the case of better paid workers, the elimination of the scandalous disproportion between sickness insurance benefits and wages, which makes every illness into a disaster for the whole family. The new wage category simultaneously must have an impact on unemployment insurance; it will sweep away the condition of being underinsured, and it will make more bearable the relation between support of the unemployed and the wage, which the worker would earn in work. The implementation of this law embodies our most direct, most immediate, and most pressing tasks and it won't be easy. You know how the government and the capitalists will resist, but all [our] power must be concentrated on these tasks.

Additional Relief on the Labour Market

I want to comment briefly only on two [additional] issues: on one because of its concrete significance and on the other because of the role it plays in workers' thinking and especially in that of the unemployed. Our unemployed comrades repeatedly and understandably come to us demanding legal measures against flooding the labour market with pensioners whose benefits have been reduced by the federal government. This desire is very understandable. Nevertheless, in my opinion it could only be fulfilled when tied to increased pensions for retirees. We have repeatedly attempted to make progress in this direction, but without success. Such matters are now being discussed in Germany. Perhaps that will provide us with an opportunity to move forward.

I'd like to bring attention to a second issue due to its great material importance. In recent months, as the business cycle improved in individual branches of industry, it has become clear that in some industries that had gained ground it was hard to find highly skilled workers even in the midst of high unemploy-

ment. We have a giant army of temporary workers who indeed are trained, but experienced their apprenticeships under very poor wartime circumstances. If the rate of employment in industry gradually improves in the next few years, much more could be done via retraining than has been accomplished up to now.

It Will Happen

As little as I would like to counsel regarding my hypothesis that the worst is over as a foolish and factually unsupported optimism, just as strongly do I believe that one must be wary of faint-heartedness and above all of pessimism. In his introductory speech, Heuber talked about our being on the defensive. The defensive is the natural fate of the labour movement in a period of economic crisis. But, on the other hand, we also want to see the symptoms that will enable us to gradually return to the offensive. Not a massive surge all along the line – for that matters will not be favourable for long years – but to move our trenches again step-by-step forward across the terrain. It is important to say that we are arriving at this point because our opponents, the capitalist bosses and the bourgeois parties, completely deceive themselves about the current situation. As is well known, Austria's capitalists are always one idea behind. If they believed at the low point of the crisis that they will destroy the trade unions, restore the *yellow* unions, [and] ride down the party, perhaps one would have had to seriously fear them at the time. But the idea that their moment had arrived came to them only after the worst of the crisis was over and as the situation had begun to improve.

The capitalist bosses come too late with their idea of riding us down, just like the bourgeois parties. Things look very different than that. If we – and this is what comrade Hueber had in mind – still have to tell the workers that the economic situation is such that the greatest caution remains necessary in order to avoid suffering fateful defeats, we can also assert, on the other hand, that matters have developed in such a way that it is time to close ranks in order to be ready to go over to the offensive at the moment when the economy makes it possible. Faint-heartedness? No one can be made more despondent than I by the massive poverty and shameful need that we still see even today among our masses, among the unemployed, among the particularly low-paid layers of the Austrian working class. But we would strangle the fighting spirit within ourselves and our masses if we would not see and talk about the positive that surrounds us.

Yes, we have seen what no other working class in any other country has experienced: our industry has lost seven-eighths of its markets and an incomparable crisis overwhelmed us. If we observe how the Austrian working class

appears today, then we see not only the terrible results of this crisis, we also see the working class's enormous and admirable ability to resist it. In the crisis and in spite of it, we succeeded in reducing infant mortality to one-half of the pre-war level; every time, in this crisis and in spite of it, when we have seen our young male and female apprentices hiking on beautiful Sunday afternoons, we have enjoyed how different they look and how differently they hold their heads up than we did thirty years ago. In this crisis and in spite of it, we see the struggle of the Austrian working class for a freer, healthier, higher [way of] life carried out not without success. Just go on a warm, summer Sunday afternoon down to the Danube and watch the hundreds of thousands of Viennese worker families, who spend their Sundays there freer and healthier than they could before the war, and you see how something new emerges, something new in the organism of the working class: more health, more freedom, and more culture in living one's life – in the crisis and in spite of it.

A working class that has experienced the worst crisis that one can imagine, that has refused to let itself be brought low, that has shown its ability to defend itself, that has successfully continued its fight for a higher way of life, this sort of working class can hope that, even if the signs only emerge gradually, the conditions of its struggle are again improving.

We know how limited and conditional everything is. We know how the terrible crisis has hindered all of our successes. But we have seen the workers fight under the toughest conditions and, from our observing how the workers even under these conditions have done well, we have arrived at a major conclusion: When the wounds of the war and the dismemberment of the economic territory gradually and slowly heal, when the Austrian economy gradually and slowly advances in the process of adaptation to the new post-war conditions, when the conditions of the struggle gradually improve, only then will the world see what we can do. Then our offensive will teach all of those who believe they have driven us onto the defensive that the Austrian working class is truly irresistible.

Otto Bauer, *Die wirtschaftliche und soziale Lage Österreichs. Rede auf dem Kongress der freien Gewerkschaften Österreichs am 20. Juni 1928* 1928, Vienna: Verlag Arbeit und Wirtschaft (*Werkausgabe* 3, 635–65).



A Reply to Max Adler (1929)

Max Adler is right: If his interpretation of the draft programme of the German left is correct, then I have fully misunderstood that proposal.

The draft programme says that Social Democracy fights in the capitalist state for the elimination of the military. I have raised the question: can German Social Democracy take up the 'elimination' of the military as long as France and Poland are so much better armed than Germany, and as long as the danger of the violation of German neutrality, as in the case of a French-Polish war against Soviet Russia, exists?

Max Adler instructs me: If the draft programme of the German 'left' demands the 'elimination' of the military, it doesn't really mean its 'elimination', but rather something quite different: namely, the 'conscious initiation and continuation of a historical process', that would not make Germany defenceless against heavily armed imperialist powers, because firstly, in the unfolding of this revolutionary process, the military would be replaced with the 'militancy of the proletariat', and because, secondly, 'the nature of the matter implies that this process must be an international one ...'

I did not understand that. Yet, with permission, a programme speaks to millions, to the entire working class, to the entire people. Wouldn't it be advisable to choose expressions that even a man with average intelligence could understand?

If someone should want to tell me what Max Adler is arguing, then one should not speak of the 'elimination' of the military. One then should have said that Social Democracy strives to conquer state power in all countries through the working class; thereby the army, which is the instrument of class domination of the capitalist bourgeoisie, should be transformed everywhere into militia of the working masses or replaced by a militia of the working masses. That I would have understood.

Is it just a difference of expression? No, actually much more! It is a difference between two ways of thinking!

Max Adler will formulate a military programme that holds for *all* capitalist countries and for *all* times in all capitalist countries. The 'tactical modifications' of the principle that 'in relation to the concrete local and immediate situations', may be necessary, should not have any relevance for the programme. These trifles, such as the French army, such 'immediate situations' as the Versailles treaty, such 'local situations' as the danger of damaging the German neutrality for imperialistic and counter-revolutionary war aims, should not guide us in the formulation of a programme; our judgment of the analysis of the historical situation would lead us to 'reformism!'

I am of another opinion. I believe that a military programme for all times and all countries is inconceivable if the programme is to consist of anything more than incontestable trivialities.

Over the course of their lives, Marx and Engels devised their military politics from the 'local and immediate situation' in which Russian Czarism threatened European democracy. Was that also 'reformism'?

Friedrich Engels wrote in 1893: 'Neither the length of service required, nor the drafting of *all* military-capable young men can be assailed today, *least of all in Germany, and even less by the Social Democratic Party*'. That does not sound like 'elimination of the military'. That position may have been right in 1893. But none among us believe, therefore, that we should or could, even today, support the drafting of all able-bodied young men or a requirement of service until one is 42 years old. Our military programme, obviously, must today be different than that of Friedrich Engels in 1893.

How is one to put the question today? I have formulated it in this way: can German Social Democracy support Germany's completely one-sided disarmament today, given its situation in Europe *today*, with *the current* strength of French and Polish armament, with *the ongoing* dangers to European peace? German Social Democracy cannot express its answer to this question by proclaiming that 'modifications' of principle 'in relation to local or immediate situations' do not belong in the programme! If Max Adler does not want to talk past me on this question, he would answer the question of whether German Social Democracy can demand the *one-sided and total* disarmament of Germany in the *contemporary* European situation, whether it could carry it out if it had the power!

Suppose, after the restoration of the Habsburgs in Hungary, a Hungarian army attacks the Austrian Republic. Would we in this case reject 'national defence', because the 'bourgeois national defence' is nothing other than a defence of 'bourgeois domination'? No, we would fight until death against the Habsburg invasion. And the workers would not demand the 'elimination' of the military, but instead would stream in masses to their flag! Certainly, in the course of such events it could occur that the proletariat comes into conflict with a bourgeois regime, which has organised the defence of the homeland poorly and not rigorously suppressed those who are united with the monarchists, enemies within our own land. Certainly, such events result in the leadership being transferred to Social Democracy, as Engels liked to say in such a context, to the 'most energetic party', namely, the party most active in defending the nation. Thus, as Max Adler might say, 'bourgeois' national defence would be transformed into the 'proletarian' national defence. But this transformation would not occur if Social Democracy rejected national defence

from the outset because it was only bourgeois. On the contrary, it would result when it would sweep away the bourgeois saboteurs of national defence in the interests of national defence. This is what Engels, making the connection with 1792, conceived of as 'Jacobin' national defence!

Suppose, Germany were compelled to defend its neutrality against the powers, who want to misuse German territory by making it a staging area in a counter-revolutionary war – wouldn't the transformation of 'bourgeois' into 'proletarian' national defence be conceivable in such a situation? But this would not be the result of the denial of the 'bourgeois' defence of the nation, but instead the struggle against bourgeois sabotage of national defence. And its result would not be the elimination of the German military, rather its conquest.

Our posture would have to be *quite different* if Germany and Austria were not in danger of falling prey to an imperialist act of force and if the situation were reversed and the possibility existed that Germany and Austria would themselves overpower other peoples imperialistically. For in *this* case the task of Social Democracy is *not* the organisation of the national defence, but rather the decisive battle *against the war* and *against the war regime*. But I believe that no German regime, never mind an Austrian one, would be capable in the near future of conducting an imperialist war. In the near future Germany and Austria will not face the possibility of beginning an imperialist war, of unleashing it, and leading it, but on the contrary they face the possible necessity of defending their own freedom and neutrality against foreign imperialists. This determines our judgement. What matters in this case is what Max Adler as always abstracts from: the concrete historical situation.

Otto Bauer, 'Antwort an Max Adler', *Der Kampf* (1929): 217–18.

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A Letter to Karl Renner (1930)

Dear Renner!

I am very surprised that you thought it necessary to answer my article in the May edition of *Der Kampf* with such an extensive polemic.

I wrote my article at a time in which the broad masses of the workers were embittered over the decision of the National Assembly to pass the 'Anti-terror Law'. Our shop stewards and our party members asked us: how can you, who have so often fended off other attacks by our opponents on the working class,

fail to block this exceptional law against the workers? Therefore it seemed necessary to me to illustrate that, with changes to power relations outside of parliament, relations of power inside parliament have changed and why this is the case. You, yourself, have often reminded us of our duty to explain the real relations of power to our comrades truthfully and candidly in order not to mislead them with 'illusions of power' or to leave them believing in 'illusions of power'. One might expect your support for these efforts.

Today we cannot hinder some things in parliament that we could block just a few years ago. Should our comrades think that we have become more cowardly and fearful? If not, then we must teach them that the change in parliamentary power relations is the result of social changes that lie much deeper. Should our comrades view the change in power relations as the party's fault? If not, then we have to teach them to understand the social law of development that has changed power relations.

That is what I have attempted. You polemicise against this effort. But your polemic raises issues that appear to me to be of essential importance to the whole development of our party's collective thought and therefore they require an answer.

1. I have ascertained that Austria has become a *bourgeois republic*. You dispute that [and assert that] Austria is a 'petty-bourgeois republic'.

What do you mean by a bourgeois republic? Obviously it is a republic in which the big bourgeoisie, the capitalist class, rules directly and alone. But there is no bourgeois republic in this sense. Even Washington is not just an executive instrument of Wall Street.

Ever since Marx's *Class Struggles in France* and his *Eighteenth Brumaire*, we Marxists have understood the bourgeois republic to be something totally different.

The big bourgeoisie can rule alone and directly only on the basis of electoral privileges. In a democracy resting on the basis of universal suffrage, it must delegate governance to the leadership of the bourgeois mass parties, which unite the bourgeoisie, the peasantry, and, often, broad layers of the working class. However, based on their economic power and the social, and intellectual power that follows from it, the capitalist class subordinates the bourgeois-peasant mass parties, influences their thinking, their leadership, and their actions and asserts its class interest, if also never and nowhere without friction and without concessions to the voting masses of these parties.

In my essay 'The Domination of Capital under Democracy' (*Der Kampf*, August 1928), following Marx, I wrote, 'The big bourgeoisie, the capitalist class, dominates but does not rule'. I attempted to illustrate the social mechanism

through which the dominant capitalist class asserts its class interest among the ruling bourgeois-peasant mass parties.

A republic in which the capitalist class exercises its domination by means of the bourgeois-peasant mass parties is what we Marxists call a bourgeois republic.

In that sense, you cannot dispute that Austria has become a bourgeois republic.

You are as familiar as I am with the relations between 4 Schwarzenbergplatz and 2 Schwarzenbergplatz – between the main association of the industrialists and the executive committee of the Christian Social Party. You know about the influence of bank and industrial associations' money on all election campaigns and their results. You know that the whole development of recent years has been determined by the millions spent by the banks and industrialists to arm the fascists in the Heimwehr. You know about the influence of the banks and industry on the ministries. You know about the power of the capitalist press. You are familiar with the outrage of a public opinion, which year in and year out raises a hue and cry about a few luxury taxes but regards it as the most perfectly natural thing in the world to raise the sugar tax on every working class woman and to distribute the proceeds to the big estate holders and sugar industry magnates. You are familiar with the struggle of every one of the working class's social achievements. You are familiar with the spirit of an administration and a justice system that accuses the workers defending their piece of bread of terrorism while supporting the despotism in the factories of every Apold and every Busson. Is more proof required that Austria has become a bourgeois republic?

You say the relations among the classes in Austria are not 'normal' because the Austrian bourgeoisie is indebted and impoverished. It is an old experience that the more unfavourable the economy is, the pettier, the more injudicious, the more brutal are the capitalists in the workplace and in the state. It is an old experience that there is no worse kind of domination than that of capitalists who are the taskmasters of alien, foreign capital!

Certainly, as there is everywhere in the world, in Austria there are tensions between the dominant capitalist class and the ruling bourgeois and peasant parties, which exercise its domination. In the state and in the factory the shareholders are not always of one mind with their directors, there are enlightened bourgeois, who are opposed to their class's exercise of power by consigning the state to clericalism, the colleges to Nazism, public life to anti-Marxist anti-intellectualism, and paying for the support of the peasantry with heavy concessions at the expense of industry. You believe in the possibility of taking advantage of these differences of opinion. Therefore, isn't it right when we explain

political development as the development of class struggle and the relations of class power? You fear that calling the system that dominates Austria a bourgeois system will turn some bourgeois, who are unhappy with this system, to return to it. You don't want to hear the language of Marxist class analysis because, as you write, some citizens, insulted, could answer: 'You make me responsible for things for which I am as innocent as a newborn child? You compel me to bear the political costs of a regime, that I myself detest?'

I believe that this tactical consideration is wrong. Our first task is and remains to win over the masses of workers and employees that still keep their distance from us and to hold onto the masses of workers and employees pressed, at a time of severe economic crisis, by bourgeois temptation. We must show them that the regime, which dominates us under the mask of a regime of order, of economy, of people's community, of Christianity, of Germandom, and of loyalty to the homeland is in reality the class domination of the bourgeoisie. That is an incomparably more important task than sparing the sensitivity of this or that 'enlightened bourgeois'.

Secondly, we must teach our party members to understand the development of the relations of class power so that their bitterness over the results of this development isn't turned against us, but unleashes the proletariat's ability to fight against their opponent. That is much more important than your concern about aggravating the 'enlightened bourgeois'.

We must consider a third thing. The capitalist class remains, whatever language we use, our irreconcilable opponent. Nothing changes in that regard if, from time to time, one of their sons comes over to the side of the proletariat due to scientific conviction, feelings of ethical responsibility, or aesthetic disgust with the world of petty dealing and of philistinism. But between the capitalist class and the proletariat stand the petty bourgeoisie, the peasantry, and the intellectuals, always vacillating, one minute among the followers of the bourgeoisie, the next an ally of the proletariat. It is here, not in the big bourgeoisie, that we find the allies whom we can and must win over to [the side of] the working class. We don't push them away, instead we win them over when we teach them to understand that the reigning parties who act as if they are the representatives of the petty bourgeoisie, the peasantry, and of the educated classes are increasingly becoming big capital's instruments of domination, Rothschild's lackeys. Their system of rule falsifies democracy into plutocracy and pays off the adherents of bourgeois-peasant mass following with concessions to clericalism, to the Nazis, and to the crass egotistical materialism of the wealthier peasants.

But our dispute has to do not only with these tactical differences of opinion. It is also about something else, something more fundamental. The vulgar

democracy of the petty bourgeoisie believed that the conquest of universal and equal suffrage achieved the self-governance of the people and completed it. Proletarian, socialist democracy recognises that democracy, too, is subordinated to the capitalist plutocracy. The democratic republic is still a bourgeois republic as long as democracy fails to take the property of big capital and the big landlords, the highly concentrated means of production and source of their power, away from them, bringing it under democratic control to overcome the plutocracy and thereby completing the democratic self-governance of the people. This recognition separates socialist from bourgeois democracy. Whoever denies the bourgeois character of all economically based, large-scale capitalist property leads us back along the path of the most vulgar petty-bourgeois outlook.

2. I have attempted to illustrate that the development of the republic, which the proletariat obtained by force in 1918, into today's bourgeois one was the result of a necessary, inescapable development conforming to law. If the capitalist order of society remained untouched in 1918, the political rule of the capitalist class had to reassert itself.

I am amazed that you call this 'fatalism'. We got rid of the naïve outlook confusing the belief that social events occur in conformity to law and 'fatalism' a lifetime ago in the struggle against the most trivial criticism of Marx. You played a part in that work. Look in your own old books to see how, back then, you handled the same argument that you did not spurn to use against me. For example, 'We can only negotiate with those who believe in state and social development in accordance with objective laws. Knowledgeable readers will have recognised the method of historical materialism in the explanation of political phenomena through economic relations and class movements, in the strict differentiation of real power and legal power, of the essence and the juridical form of public institutions. This method taught us how to anticipate events that have completely surprised almost all of public opinion'. When you reject comparing today's development with similar developments in the past in order to lay bare commonalities [among them] and laws of development today, I respond with your words from that time: 'This method alone provides an exhaustive explanation of what all of history has in common and what is not transferable from the past to the present'. And if you, in applying this method to our day, believe that you find a legitimisation of Seipel, then I reply to you once again in your own words: 'This method provides us with an exhaustive explanation ... not of the agents of development, but of their factors' (*Grundlagen und Entwicklungsziele der Österreichisch-ungarischen Monarchie*, p. 167.)

It is certainly a different question whether the law that I have abstracted from the comparison of developments, which we have experienced ourselves, with developments in past revolutions, is correct or not. You object that it doesn't apply to England and to the ongoing Russian Revolution.

The plebeian popular masses, especially the yeomanry, fought the battles of the seventeenth century English Revolution and crushed the absolutism of the Stuarts. But the final result of the revolutionary process was the domination of the alliance of 1688, the alliance of the landed and financial aristocracy. Isn't that right?

And later? The revolutionary unrest and movement of the handloom weavers ruined by the power loom, of the brutal methods of exploitation of the early factory workers undermined the old English aristocracy in the twenties and thirties of the last century. The result of the process was the Reform Bill of 1832, which transferred power from the aristocracy to the lords of the factories, but excluded the workers from the franchise! Isn't that right? And isn't it also true in the second great wave of the English proletarian movement, which certainly did not bring the workers the Charter, but whose fruits have been harvested by the industrial bourgeoisie since the repeal of the corn law?

And your comment on Russia? I have illustrated that, after any revolution, the political rule of capital reasserts itself when the revolution is unable to destroy its economic power. You reply that in Russia the political rule of capital did not reassert itself. Is that not because the revolution there had eliminated the economic power of the bourgeoisie, the prerequisite of its political restoration?

You don't have much luck with your historical objections. More serious is your other argument that today's world is so different from the world of the past that analogies from the past can only lead to mistakes. Allow me to answer this argument with a comparison!

An engineer in an incandescent light factory has to examine the length of time the just produced light burns. Earlier he had relied on his intuition. He made a couple of spot checks from various products and examined how many hours they burn. In today's rationalised factory he operates more systematically. He takes a certain number of lamps from every production series. He ascertains the length of time they burn and investigates the frequency of lamps that burn for the same amount of time. He illustrates the 'distribution curve' by spreading the data ordinate over the individual burning times as the abscissa. Next to the empirically derived curve, he delineates the so-called Gaußsche curve, which shows how often 'accidental' deviations of the individual burning times must deviate from the median according to the rules of probability. By comparing the empirically derived curve with the Gaußsch curve he finds out how far the difference in the burning time of his lamps can be traced back

to just the ‘accidental’ deviations and to what extent they can be explained from the breaking of materials used or errors in production. (I am taking this example from the book: Becker, Plaut and Runge, *Anwendungen der mathematischen Statistik und Probleme der Massenfabrikation*, Berlin: 1930)

We operate very similarly. We ascertain the facts of development of our time – this parallels the engineer’s empirical distribution curve. Then we compare it with the laws, which are abstracted from the experiences of the past – just as the engineer compares the empirically investigated frequencies with Gaußsch’s curve on expected frequencies. In this way we explore to what extent our experience parallels socially objective laws that had dominated the past and to what extent it can be traced back to particular ‘contingencies’ of our time and our country and to ‘errors’ in our policy.

You constantly urge us to be ‘empirical’. But you confuse empiricism with mere intuition. All empirical science advances in such a way that it compares every new experience with older ones from the past and the laws abstracted from them and tests whether and to what extent they are contradictory. Ernst Mach illustrated very nicely this real, empirical, way of proceeding and thereby the relationship of scientific empiricism to instinctive, intuitive experience in his ‘Geschichte und Mechanik’.

It is good to admonish our comrades to view the present and to study it as it is, but it is not useful for you to constantly urge the setting aside of theory, which is nothing more than a great treasury of past experience stored and organised in our Marxist legacy of ideas. The party does not suffer from the fact that our younger generation learns too much theory, on the contrary it learns to little.

So much for method. Now we need to deal with result. You ask: can it, must it still be the same today as it was in the past that a proletarian revolution ends with only the bourgeoisie in the saddle? Must the proletariat always be the one cheated in its revolution? That the workers would be cheated because they elevate the bourgeoisie to power was always the argument of the feudal counterrevolution. The workers have always understood that the bourgeois republic, to the extent that it also falls short of the goals of their struggle, is nevertheless always an advance compared to the half-feudal monarchy! That is all the more true today, because the proletariat is much stronger and better prepared to take advantage of the possibilities for struggle that the bourgeois republic provides to it, to exercise influence on the bourgeois republic, and to hold on to the social institutions it had conquered in the first, proletarian phase of the republic. That the proletariat today can carry out its struggle much more successfully within the bourgeois republic than before does not transcend the fact that, no differently than in earlier times, today’s economic structure of society determines the relations of political power. As was true in the past,

capital, which dominates the economy, subordinates the republic erected by the proletariat to its rule.

Nevertheless, you are right about one thing. The world today – despite this correspondence – is too different from the world of the past for us to simply derive our rules for political practice from those experiences. But when and where, dear friend, when and where have I done that? By comparing our experiences with those of the past, I have abstracted laws of our knowledge. You falsely attribute to me, for the sake of your polemic, that I have derived rules for our practice from past experiences. Do you think that such polemical methods are required or allowed?

What is the point? Why the dispute? I'll tell you. The whole argument conceals nothing other than our old conflict over the value of coalition politics.

You think the development will end with Social Democracy in a governing partnership. Thus one would not be able to say that development was inevitably leading to a bourgeois republic. I am of a different opinion on this matter.

Under favourable conditions, Social Democratic participation in government can be useful and necessary. It can protect the working class from dangers and bring it some advantages. It can substantially strengthen the power of the democratic state against the pressure of capitalist plutocracy. But, apart from revolutionary moments like that from 1918 to 1920, it cannot transcend the bourgeois character of the political system.

Even when a couple of Social Democrats sit in the government, the state remains dependent on high finance for credit. The state cannot put itself at odds with the essential interests of industrial capital if it does not want to face the shutting down of the factories. Public opinion remains dominated by the capitalist press and bourgeois ideology. Even when a pair of Social Democrats is in the government, every judge, every official, every watchman instinctively treats the bourgeois differently than the worker. It is superfluous to show how much today's democracies have remained bourgeois democracies even under coalition governments and minority governments controlled by workers' parties.

That is not a reason to reject coalition governments or minority governments under every circumstance. But it is a reason to warn the working class against developing illusions about what a coalition government could do. Such illusions only lead to disappointment and setbacks.

If we want to spare the working class from disappointments, then we must teach it [the following]: yes, our immediate goal is to achieve a situation in which the bourgeoisie is no longer in the position to rule without and against us. Even in this condition, however, the republic would still face powerful pressure from capital. Only when we become so strong that we are able to transform

the capitalist system of property, and only to the extent that we are able to do that, will the democratic republic be emancipated from the dominant influence, which, rooted in the economic power of capital, permeates all social institutions including the entire political system.

3. You don't want to hear this. You think we should talk less about capitalism and socialism in general than about our next particular tasks in Austria. Instead of frightening the citizen by discussing the great conflicts of humanity, it is better to say: Look at what Austria looks like! This is how badly the bourgeois parties have governed! We will govern more intelligently and better when you entrust us with power! Have no fear good citizen; our goal is not socialism. Our goal is a different Austria! Once again a 'renewal of Austria'

No doubt, every workers' party must engage in the daily struggle for the goals required of that day in that country. But can it, should it, be utterly devoted to daily struggles and national struggles? Can we, should we, forget about and stop talking about the point of the trip for the sake of the task of avoiding the next cliff?

You stand in front of unemployed textile workers. Can you, should you, say to them that their poverty will be overcome when, instead of bourgeois, some Social Democrats govern? No, you must talk to them about the world crisis of the textile industry if you want to be truthful. You must reveal to them the insanity of the capitalist economic order, which lays off hundreds of thousands of textile workers although there are enough spinning machines and looms, although raw materials lie in storage, and although millions of people are going around in rags. You must – there is no other way! – seek to awaken from their poverty their will to achieve a different, a higher social order for their children!

You stand in front of young workers, in front of students. Will you only talk to them about the problems of day-to-day politics? You will try to fill their young souls with the great cultural ideal of socialism if you want them to dedicate their lives to our great cause.

You stand in front of community and cooperative workers. The community or the cooperative cannot fulfil all their desires. You will try to awaken their readiness to personally sacrifice to develop the core elements of a higher social order!

You stand before the victims of Alpine terror. You speak to them of the greatness of martyrdom for a world transforming idea!

You grapple for the souls of the workers with communists and fascists, who deceive the workers that an act of violence will free them from their want. You will explain to the workers the prerequisites of their emancipation, the way to freedom and the stations along the route. You'll bring them the message

of democratic socialism that will change the world not through violence that destroys all freedom, but rather through freedom, self-determination, and the free self-activity of working people.

Can we, therefore, be satisfied just to talk about the next tasks in our tiny country, tasks of which we have plenty, and never speak about the great world-transforming mission of socialism just to ensure that our words don't frighten the upright citizens?

And should we? I understand the tactical necessity that guides you. I know that one should and must make some sacrifices for tactical reasons. But there is one sacrifice that one dare not make on tactical grounds: the sacrifice of conviction, the sacrifice of one's essence, of one's character.

By sacrificing conviction, one cannot recruit. By sacrificing conviction one loses the respect among one's opponents upon which everything depends!

In a few weeks it will have been thirty years since we established our friendship, which has brought us so much, and which, I think, has also brought something to the party. Over these thirty years I've often admired your enviable ability to grasp what is new and developing all around us. Over these thirty years, however, I have often experienced that you, like all people, have the vice of your virtue in that you repeatedly let yourself be misled by that which is new, and you revise a whole worldview based on a momentary situation. That is what happened to you during the war. That is what has happened to you again since 1927. That is why we've had frequent scuffles with one another all these years. But each of us has always known that the one judges and acts out of just as honest and selfless an effort for our common cause as the other. Therefore, all our theoretical and political disagreements have never harmed our friendship. I don't need to assure you, dear friend, it is the same this time and will remain so.

Otto Bauer, 'Ein Brief an Karl Renner,' *Der Kampf*, 23, 8 (August 1930): 305–11.



We Will Defend Our Threatened Freedom (1932)

Recently, comrade Otto Bauer spoke to three mass rallies in Kärnten. Among other things he said:

Since the autumn of 1929 the whole capitalist world has suffered from an economic crisis like no other; we are now seeing how the crisis intensifies from month to month and from week to week.

It is estimated that there are now twenty-five million unemployed workers in the world, twenty-five million people who are demanding work that the capitalist world is not providing. There are now six million unemployed in Germany, seven to eight million in the rich and mighty United States of America, two and one-quarter million in England, well over a million in Italy and also in France – [there is] no country in the capitalist world without the incredible need [caused by] unprecedented unemployment. And along with unemployment comes part-time work on an enormous scale and pressure on blue- and white-collar workers' wages.

Concomitant with the terrible crisis in industry and trade is the deep agricultural crisis. While workers are unable to buy a piece of meat from one year to the next, peasants' cattle cannot be sold and remain in the barn or are sold at ruinously low prices. The unheard of crisis is running amok in the city and countryside around the world.

There are people who blame democracy for everything. If we had a king again who could give orders, then everyone would have work and the peasants would make money.

The agitators of the cock-tailed tyrants (Hahnenschwänzler) and the crooked cross (Hackenkreuzler) stalk the countryside saying, 'Down with democracy and parliamentarianism. When Starhemberg becomes dictator, then you'll all get good prices again for your oxen'. Obviously, then, with Staremborg as dictator the great day of the Ox would return! (Stormy laughter) People who talk that way should take a look at where there is no democracy. (Shout: very true!) The fascists' ideal is dictatorship [like those in] Italy, Hungary, Poland, [and] Yugoslavia; there you have dictatorship and you can see that all these countries have been hit just as hard by the crisis as the democratic countries. The only difference is that in the fascist countries there isn't even support for the unemployed.

All the reasons put forward by our opponents are wrong. It is not democracy, the republic, unemployment or accident insurance, or laws giving workers protection that are responsible for the emergency. This crisis is not a crisis of any particular political institution, but rather a crisis of the entire capitalist social system as such, regardless of how it might appear in details. (Stormy applause)

The capitalists and their parties know well that their world has fallen into a crisis that is incomparably worse than earlier ones and they fear what might happen if their unbearable condition gets people thinking.

Therefore, at least in the central European countries, the capitalists and their representatives have concluded that the right thing would be to crush the working class and to establish an absolutist dictatorship that would use violence to restore profits to capital at the workers' expense. (Stormy shouts of

phooey!) The capitalists cannot draw this conclusion everywhere. They can't do it in the western countries because democracy there is old and firmly established. If they talk there as they do here when they assert that democracy, the parliament, and the political parties must be swept away, they would only make themselves into a laughing stock.

In England, Sweden, Norway, Denmark, Switzerland, and France nobody would dare talk that way.

The critique of parliament is playing a great role in the political struggle. People say, 'Look at parliament. What is it doing for you? All it does is cut: reductions [in the number] of officials, of federal workers, and of railroad workers, reductions in wages and salaries – all the parliament does is damage, it is useless to you so get rid of it!' Therefore people demand extraordinary powers for the government; it should be able to do what it wants. If we then ask: Why do you want these powers? Do you have plans? What will you do to combat the economic crisis? They then go silent; they have no plan and if they had one then certainly it would not be one that they would reveal. (A shout: That's how it is!) It is true that we Social Democrats have no reason to praise the current Austrian parliament. First of all, we are a minority in that parliament, [while] the others have a majority; we Social Democrats have seventy-two seats and the bourgeois [parties] have ninety-three and in parliament, as in any community, it is the majority that decides and not the minority.

Secondly, this parliament has been working for months under the pressure of the economic crisis. State income has fallen sharply. Necessity, comrades, is what is now forcing the parliament to continually implement cuts, to reduce expenditures and limit its scope. Nevertheless, I say to all workers, employees, officials, small business people, salespeople, and small peasants: Don't let the agitators against parliament lead you down the wrong path.

A better parliament can replace a bad one if one wants it. But the worst and most pitiful parliament is still a hundred times better than a dictatorship of the moneybags! (Stormy applause) It is also useful in this context to compare our unhappy situation with the situation in other countries.

In Germany the elections of 14 September 1930 dealt a blow to the democratic parliament. The National Socialists on the right and the Communists on the left – both parties that are opposed to parliament in principal – form a large part of the Reichstag. Indeed, they have totally different aims but are united against democracy, and the result of their success is that it is impossible to form a parliamentary government.

Because the Reichstag cannot work, a dictatorship of the government has been created. Since 14 September Germany is governed by means of emergency decrees – the parliament is powerless. Thus, on 8 December, with the stroke of

a pen and without asking anyone, wages and salaries of workers and employees were reduced to the level of January 1927. That is a reduction of about ten percent and followed two earlier rounds of cuts totalling fifteen percent. (Consternation) This ten percent wage reduction means a loss of income of about 4 billion marks per year. People rightly complain about the terrible burden that the victorious powers imposed on the German people in the form of reparations. The instalments that Germany would have to pay but cannot pay would amount to 1.8 billion marks per year. But with the stroke of a pen the emergency decree has imposed a wholly different reparations payment on the German working class, not of 1.8 billion marks but of 4 billion marks! (Consternation and shouts of phooey)

That is how Germany is now ruled. Understand that Austrian capitalists salivate when they read about something like that. (Laughter and agreement)

They reason: Here one just prattles on; a situation as wonderful as the one in Germany is impossible to achieve in the Austrian parliament. Therefore they cry out for a strong hand, for a dictatorship, so that their desires can be realised without parliament. [They want] this even though the parliament had coped well with the difficult tasks of balancing the budget, clearing up the railroad, and [putting through] a credit agency law.

The government has gone to Geneva and gotten *good* advice there. (Laughter) That is where the lords of the finance committee and the lords of the richest banks sit.

These gentlemen spend more for a fine dinner than an Austrian temporary worker earns in a month. After they have their fill, they meet to discuss what one should do. They concluded that the rigidity of the cost of production must be ended.

They know what that means. They mean that wages and salaries may not be rigid in a time of crisis; they must be reduced. (Shouts of phooey) The Chancellor returned from Geneva in September with this advice. The gentlemen there had told him that Austria spends too much on its unemployed; that must be reduced. Even before Buresch had gone to Geneva, we Social Democrats had told him: There is one thing you should not promise there – a reduction of the unemployment insurance. You won't be able to put that through; it would be better to smash the parliament!* (Stormy and long applause) Nevertheless, the high lords in Geneva demanded that it be done. Buresch did not have it in

* Dr. Karl Buresch (1878–1936) was a Christian Social leader who formed a coalition government in the wake of the cabinet's resignation in June 1931. He reformed the coalition on 29 January 1932. Buresch's second cabinet lasted until 20 May 1932, when Engelbert Dollfuß replaced him.

him to say anything concrete in reply. When he came back, he humbly asked whether the matter could be discussed, but we answered in such a way that he could no longer bring himself to speak. (Stormy agreement)

You see, there is something good about having a parliament. If the government could do what the capitalists wanted there would not be much left of unemployment insurance.

Buresch came back with still more proposals: a tough law to balance the budget and cuts to the salaries of public officials and railroad workers. We could not hinder their passage not only because we are in the minority, but rather because the state's income has fallen so drastically and we were unable to push the state to resort to printing money.

Nevertheless our success is still significant if we compare it with how the government wanted to make the law and how it was [actually] created. In a dictatorship without a parliament it would have occurred completely differently. (Agreement)

I won't deny that the federal railways are in terrible shape. In light of the developing crisis, we Social Democrats had demanded administrative reforms as early as 1929.

It would spare us much if one finally would agree that one can operate a railroad either with coal or with waterpower, but not with ink. (Great amusement) At that time we demanded a revision of the freight rates. It was a clear mistake in the name of promoting freight to give the Alpine Montangesellschaft millions as a gift. We fought for four weeks against this Federal Railway Law. The government wanted to impose cuts on the railroad workers amounting to 35 million schillings; as the minority we were able to limit the cuts to 23 million schillings and thereby saved the railroad workers 12 million schillings in wages. Initially, the law was totally anti-social and was worked out by the top brass of the management board. It read as follows: The less a person had the more should be taken from him. (Shouts of phooey) We succeeded in transforming this into its rational opposite.

We demanded energetic action from the brass not out of hostility but rather based on the principal that it is more just to make cuts among those with higher income than among those for whom each cut has an impact on the ability to feed one's children.

There was something even more dangerous in this proposed law than the issue of wages. The government had smuggled in a provision that aimed to destroy the railroad workers' right of co-determination. We demanded that this paragraph be stricken and were successful. Despite this [success], we continued to insist that the law is too heavy a burden on the railway workers and voted against it.

If we had had no parliament, then we would not have gotten simply the original draft of the new law, but also much greater wage cuts and the workers would have been subject to the arbitrary power of a few companies.

At the same time the government brought forward a credit agency law that would have cancelled all the collective contracts in the industries controlled by the Kreditanstalt. That would have meant cancelling the contracts in 60 percent of Austrian industry! Not a single letter of this provision remains in the law; we blocked it completely. (Applause)

I am not telling you this in order to praise what we have achieved. No, we know very well that, in a parliament in which others have a majority, we achieve much too little. I say this only to show that parliament provides indispensable protection for the working class in this period of crisis. It is very necessary for everyone to understand that, because we live at a time in which great decisions lie just ahead.

The resignation of Buresch occurred a few days ago and a new government was formed. (Laughter) What really happened?

Officially one says that the government had to resign in order to kick Schober out, because the French did not like him. (Laughter) Don't laugh about it; it is really shameful when one talks that way.

I am not Schober's friend.* I have not spoken with him since the July days of 1927, but only those who have no feeling for the dignity of the Austrian people and for the Republic, could take the position that, rather than the Austrian people, it should be the French who determine who should be the Austrian Foreign Minister. (Stormy, long-lasting applause) What gets me is that I am convinced it is a lame excuse when one asserts that it is only about the Foreign Minister. (Agreement)

It is [really] about something else. The big industrialists, the aristocrats, the capitalists, [and] the reactionaries were displeased because we Social Democrats were able to achieve something in the discussions.

It started in right-wing circles with the cry that the Buresch government was much too soft, meaning that it treated with the Social Democrats. What does the word 'treat' mean? It means that, in the end, it is not the 58 percent of the voters represented by the bourgeois parties who decide alone. The 42 percent of the people whom we represent also have something to say.

* Johann Schober was the police president and served on numerous occasions as Federal Chancellor and as a cabinet minister. He bore the responsibility for the bloody disorders of July 1927. After 1930, he formed the *national* Schober Block.

What, then, was worked out? The heart of the matter was that we did not stand for the government's terrible treatment of the railroad workers and federal employees.

But the fascists complained that the government had made too many concessions to the Marxists and that it should carry out the policy it wants. They want a *strong government* and the Tyrolean Christian Socials declared: we need a government [led by] Seipel without parliament. In short, they want a dictatorship without negotiations, one that would not have to make concessions to the working class.

However, initially the Federal President had appointed Mr. Buresch rather than Seipel. Seipel did not think his time had come just yet.

An intrigue was underway that you must all understand. They had kicked out Schober, which resulted in the Pan-Germans leaving the government without the ability to return. (Amusement) We have to get that, because for ten years the Pan-Germans have loyally, energetically, and reliably served the Christian Socials. (Renewed amusement) But when you repeatedly box someone's ears, then he simply can't go on. If the Pan-Germans returned to the government again, the last of their nationalist voters would abandon them.

The government rests, then, on the Christian Socials and the Agrarian League and it is notable that it still contains the latter. In the last elections there was still a Schober Bloc and now Schober is gone and the bloc is split. (Laughter) But together the Christian Socials and the Agrarians only have 75 out of 165 representatives. With the Pan-Germans out, the government no longer has a majority. That also occurs in other parliaments and Buresch believes that his majority will simply sort itself out in the voting on various issues.

On one occasion he'll have the votes of the Heimatblock against us, on another he'll have ours against the others.* If one wants something like this, then one can only form a government that does not provoke anyone. But what kind of government have they formed? They have made Herr Schuschnigg, a general's son from Tirol, a minister. He is a monarchist and says so openly.

Herr Schuschnigg has been agitating for a long time. He agitates against the Habsburg Law that we passed in 1919 and which asserts that Hapsburgs must leave the country and that their property should be confiscated and used as a fund for wounded veterans.

For Schuschnigg that law is shameful. He leaves out that the war had cost many families everything they had. He knows very well that one cannot return husbands to war widows, fathers to war orphans, sons to mourning mothers and that one cannot return healthy limbs to the wounded (Shout: Very True!)

* The Heimatblock was the electoral party of the right-wing paramilitary Heimwehr.

Herr Schuschnigg leaves this out. He leaves out that one cannot return people's modest pre-war savings put aside over a lifetime and lost through the war. But when so many have lost so much in wartime that can't be returned, one family should lose nothing: the Habsburgs. (Shouts of phooey) It is a telling thing to make this man Minister of Justice.

A minority government can only last if it gets the support of the Pan-Germans on one vote and the Social Democrats on another and if one appoints a person to a minister's position who serves as a provocation for the Pan-Germans and for us.

So, it is not wrongheaded if a government lasts, but it is only wrongheaded if one spins intrigues that result in its rapid fall. (Agreement)

Today the government made the former Finance Minister Dr. Kienböck the President of the National Bank. At the same time, the Dutchman van Hengel became the General Director of the Kreditanstalt.

The National Bank is one of the most powerful institutions in Austria and deals with the defence of the currency against devaluation. Today the National Bank has limitless power over Austrian industry and agriculture. Therefore, statute declares that the National Bank may not only be an agency of the government, but rather it must be independent. It must be possible that, if a Finance Minister wants to print money, he'd find a sign out front saying, 'Non-employees are forbidden from entering!' (Amusement)

Now they have politicised this institution by placing a politician from the inner-circle of the Christian Socials [in charge] and thus brought the National Bank under the control of the Christian Social party.

Do you see the impudent arrogation of power? The Christian Socials have 66 out of 165 representatives; they are a minority in parliament and yet they have the audacity to make every position of power in the state and economy their own. (Shouts of phooey) Why do they do that?

As the General Director of the Kreditanstalt, van Hengel is the epitome of an incomparable farce.

Already on 11 May, as the Kreditanstalt collapsed, we Social Democrats demanded the removal of the guilty director and that the state appoint a new one. At first they left the old director in place and then appointed an incompetent one. For a whole month utter chaos reigned. And now they have named a foreigner, a Dutchman, as General Director. They say the foreign creditors, the rich people in London and Paris, demanded it. I don't know if that is true, but if they had then one should have rejected it. They have nothing more to ask for, because the state is still liable for their claims. (Lively applause)

A trustee of the Austrian people is supposed to prevent any unbearable burden on Austria, but today we have a trustee at the top that is a trustee of

the foreign creditors. History takes its revenge: Once the Habsburgs dominated the Netherlands in Austria's name and today the Netherlands dominate Austria in the name of capital.

Mr. Seipel thought that the time of his dictatorship had not yet come, but he believed one must make certain preparations. So he drove out Schober and brought Schuschnigg into the new government.

A new government was appointed to ensure its collapse, a collapse that could be construed as a failure of parliament. That would allow Starhemberg's followers to march in, not to enable Mr. Starhemberg – who is merely an instrument – to set up his dictatorship, but rather Mr Seipel.

That is what this is all about to these gentlemen. That is a danger that concerns every good republican and every blue- and white-collar worker. I say every good republican. This economic crisis has brought everything into disarray. In Hungary there is unrest; the aristocrats think that they are saving themselves by calling back a Habsburg. You understand, therefore, what it means if we would really have a dictatorship here.

I see the danger should the [moment of] decision arrive shortly; we must arm ourselves for this moment. (Stormy applause) There are hypocrites in Austria who become terribly upset that the police have found rifles in the workers' housing at Ottakring.

You know exactly how heavily armed the cock-tailed tyrants are (Shout: very true!), who have received two million Lire from a foreign country to arm themselves and attack the Austrian people. (Stormy shouts of phooey) German heavy industry, along with Austrian industry, is also providing cash. One saw their weapons on 13 September as workers were killed with them. (Stormy shouts of phooey) In the evening, however, they were brought to their hiding places under police protection. (Great excitement)

This does not excite the bourgeoisie. But when the workers have guns not to attack people – we have shown that we don't want that – but to defend ourselves against attack, then they are upset.

During the last elections the Heimatblock received about nine percent of the votes; we had 42 percent. What did the people really think? Did they think we are really cowardly dogs who let ourselves be raped? (Stormy shouts: Never!) Naturally, we have made preparations (Stormy applause) and the gentlemen will have noticed that if they march on Vienna they will not be greeted with flowers. (Stormy, long-lasting, enthusiastic applause) Only hypocrites can get upset about that.

We Social Democrats do not take pleasure in arms. Whoever, like myself, has been in war; whoever has seen how it looks when human limbs, shredded by grenades, lie around – that person has no yearning to go back and try it again.

If there weren't bandits who want attack us, then we would want to dump our weapons in the sea. (Agreement)

Domestically, we have offered to disarm hundreds of times, indeed a true disarmament on both sides, not only by the bourgeois government, but everyone together. But today there can be no talk of that. We can imagine how such disarmament by the Styrian district chiefs (Laughter) and the Styrian police would look.

As long as we are threatened we must prepare ourselves. We will do everything to spare the country from a terrible catastrophe. But when the others believe they are able to attack us, then they will find out that there are hundreds of thousands of men who love freedom and will defend themselves. (Thunderous, long-lasting applause) The gentlemen haven't had much luck with their discovery of weapons on the Ottakring. The Viennese workers have answered them. On that very evening the Vienna party executive issued a call for ten thousand new Schutzbund men and ten thousand supporters of the Schutzbund. These numbers were reached by the end of the month. (Celebratory applause) At the end of this month, ten thousand new Schutzbund men will take the oath in Vienna. (Renewed applause) The gentlemen will see what they are getting themselves into.

In these matters, material circumstances also have significance. From time to time, every factory needs to be resupplied and that is being done. (Applause)

Now we have one duty: We have to tell everyone that plans are being hatched that could become very dangerous. How long Buresch will remain [in power] I cannot say, perhaps only a few days. (Amusement) This session of parliament ends on 15 February, but we have continued to extend the talks. In Austria everything is possible and it can also happen that one remains true to the constitution. (Great amusement) In that case the government could probably last until Easter. Under no circumstances will it last long, and then comes the moment where people will want to set up a dictatorship of the moneybags in Austria. That is the moment to be strong and to stick together. We will defend ourselves against whatever comes that is worse than the current situation.

Capitalism is breaking apart at the seams. It can't last much longer and the capitalist regimes are no longer in a position to save the capitalist social order.

The gentlemen are sitting there in Geneva discussing disarmament, while in Shanghai thousands of people are torn apart by grenades. (Stormy shouts of phooey) They are no longer in a position to maintain order or to get the economy into gear, and sooner or later humanity will rise up against the insanity of this social order.

We live in a very small, militarily defenceless country. We know the fate of the world won't be decided in Austria. But when the capitalist world's

fateful hour arrives, then Austria's workers want to be present and not in the last ranks! (Stormy, celebratory applause) We don't want to let the fascist bands defeat us. On the contrary, we will preserve our threatened freedom until the great moment when the fate of capitalism and socialism is decided. That's what it is all about, comrades! It is essential to hold together against all of those who want to precipitate splits; to remain firm [until] our moment comes, when we will know how to defend our freedom. (Long-lasting stormy applause)

Otto Bauer, 'Wir werden unsere bedrohte Freiheit verteidigen', *Arbeiterwille*, Graz, 10. Februar 1932 (*Werkausgabe*, 6, 817–29).



For Democracy (1933)

For twelve years the bourgeois bloc has ruled within the legal forms of parliamentary democracy. The core of the bourgeois block was the Christian Social Party, which, once the party of the petty bourgeoisie, under Seipel's leadership has become a *Sammelpartei* attracting all layers of the bourgeoisie. Within it Seipel united the small bourgeois parties, the Pan-Germans, and the Landbund into a strong alliance. [The system] was dominated by the bourgeoisie but it was not a bourgeois dictatorship. Because the bourgeois ruled by means of a parliamentary bourgeois block using legal democratic forms, the strong Social Democratic opposition could limit the bourgeoisie's power.

The parliamentary power of the bourgeoisie was deeply shaken when the alliance between the Christian Socials and the Pan-Germans collapsed. The alliance loosened after 1929. Following the turmoil of Seipel's own creation, the Heimwehr brought Schober to power and cast the country into a constitutional conflict. In 1930 it was dissolved for a time after Schober, who relied on Pan-German support, got into a conflict with Vaugoin.* It finally fell apart when the disastrous campaign for a German-Austrian customs union – into which Ender and Schober had allowed themselves to be lured – had to be ended. Under French pressure, the Christian Socials brought Schober down and with that the bourgeois bloc came to an end.

* Carl Vaugoin (1873–1949) was a leading Christian Social politician who served in many ministerial posts between 1921 and 1933. He was briefly Chancellor for two months in 1930.

What now? If the alliance between the Christian Socials and the Pan-Germans was over, in the parliament elected in 1930 only one other viable majority could be formed: a coalition of the Christian Socials with Social Democracy. Seipel knew that. Dollfuß understood that. But both could never make the decision to accept the conditions that would have made it possible for Social Democracy to govern together with the Christian Socials. The Christian Socials preferred to replace the Pan-Germans in the government with the Heimatabloc and thereby became dependent on a fundamentally anti-parliamentarian fascist party. And even with the Heimatabloc they only had a bare majority, which made parliamentary decisions dependent on chance.

Thus, Austrian parliamentarianism fell into a crisis. The cause of this crisis was rooted in the fact that, in order to deny the parliamentary representation of the working class with power in proportion to its numbers, the Christian Socials would rather endanger the parliamentary-democratic system of government.

The crisis was intensified as the waves of the national-fascist flood began to rise in Austria too. The economic crisis had impoverished the urban petty bourgeoisie and the highland peasants. It ruined the state's finances and forced the government to cut the pay of its employees. The dissatisfaction of the impoverished masses made them susceptible to national-fascist propaganda. The elections of April 1932 already illustrated its strength. In Germany, when the Junkers handed power over to Hitler in [January] 1933, the national-fascist flood in Austria swelled mightily.

The Christian Socials saw themselves threatened. They considered that with new elections the Christian Social Party would return to parliament very weakened and its previous allies would disappear from it completely. Then the Christian Social Party would only have a choice between a coalition with Social Democracy and a coalition with the national fascists. A black-red coalition? The strata of the bourgeoisie represented by the Christian Social Party had no desire to share power with the working class. A black-brown coalition? For the state that means the most serious threats in the realm of foreign policy and for the Christian Socials it means meeting the same fate as Papen and Hugenberg. Based on these considerations, the Christian Social Party concluded: we can no longer dominate the state by means of a bourgeois bloc using the legal forms of parliamentary democracy, so we want to dominate it using different means. Thus, the Christian Social Party readied itself for the 7 March change of course.

The new course, which made use of a parliamentary dispute to shut down the parliament and rule through emergency decrees, was based upon legitimist, aristocratic large landownership; on the Jewish bourgeoisie, which, viewing the new course as a protective measure against the anti-Semitic national fascists, generously funded the Fatherland Front; on the bourgeois and peasant masses

united in the Christian Social Party; and on the black and yellow parts of the Heimwehr commanded by aristocrats and old k.u.k. generals.

One can certainly describe the new course as a dictatorship because it embodies the shutting down of representative institutions, legislation by government decree, the suspension of important civil rights, and the elimination of constitutional controls. One can call it a dictatorship of the bourgeoisie because all the important strata of the bourgeoisie support it and see it as their representative. But one cannot yet describe it as a fascist dictatorship. Any comparison with Germany or Italy shows that the essential characteristics of a 'totalitarian' fascist state are absent.

But if this dictatorship is not yet a fascist one, the fascism of the Heimwehr has a powerful position in its structure. As the Minister for Security, Herr Fey disposes over the police and the Gendarmerie. The Security Directors of the states are subordinate to him and they are in charge of security matters instead of the state political leaders. The Heimwehr also provides the volunteer recruits for the auxiliary forces of the federal army, the auxiliary police and the auxiliary Gendarmerie. The strong position of Heimwehr fascism provides undeniable possibilities for development, possibilities for the transition from the established bourgeois dictatorship to a fascist one.

We are fighting against this system of bourgeois dictatorship, which threatens to develop into a fascist one. The next goal of our struggle is the reestablishment of democracy. Right now our forces are concentrating on this aim.

In the near future, the fight for the reestablishment of democracy can make the greatest demands on our decisiveness, on our boldness, and on our willingness to sacrifice. But at the very moment in which we have to concentrate our forces on the re-conquest of democracy, some workers have gotten off track.

They say: We welcomed democracy in November of 1918 with great hopes. No doubt in the early years it helped us move forward. But then what happened? First, since 1920 an ever more firmly dug in class domination of the bourgeoisie continually pushed us back. Finally, Germany has a fascist dictatorship and Austria has Dollfuß's system. No, after these experiences, democracy is not an attractive, inspiring goal.

We understand the spread of such notions. We recognise the facts that influence the thought of many workers. They see a strong, authoritarian government, which allows no parliament to hinder it and rules by means of decrees that it thinks are necessary. They hear the declarations of the government: only those may remain in state service that are loyal to the government. They see that the government is dissolving the opposition's paramilitary formations while forming loyal auxiliary and police units of its own. They see that the demonstrations and symbols of the supporters of the government parties are

allowed but those of the opposition are forbidden. They see that the opposition press is censored, confiscated, and threatened with a ban on distribution. They see that the Constitutional Court has become dysfunctional. All of that infuriates many workers. They think: That is how one should do it! When we come to power again, we can't be as foolish as we were in 1918. We must not again proclaim freedom and equality for all, including for our deadly enemies, but on the contrary, having learned from our opponents, we must issue decrees for what we think is necessary without parliament and without a Constitutional Court; we must monopolise public service and political rights only for supporters of our government; we must disarm the opposition and form an executive from those loyal to our government. Many young workers have drawn the conclusion: our goal should not be the reestablishment of democracy, but rather the replacement of the dictatorship of the bourgeoisie with a dictatorship of the proletariat. Only this goal is worth all of our efforts.

Austria's bourgeoisie does not know anything about what is going on in the heads of the workers. Otherwise it would have to note that the experience of recent months has done far more to spread these ideas among the workers than the [now] dissolved Communist Party was ever able to do.

But as much as one can understand the spread of these ideas, we must still oppose them as soon as they lead some workers away from the main goal.

Today we don't want to consider how one day the transition from the capitalist to a socialist social order will occur in Europe. We don't want to investigate what could happen, if one day the fascist dictatorship in Germany will collapse in the poverty of inflation or in the blood of war. Today we are dealing only with the question of what the goal of the Austrian working class should be under the current conditions of struggle.

In the spring of 1919, the Austrian working class was unable to dare to erect a dictatorship of the proletariat. Had it tried to do that, it would have resulted in the same terrible catastrophe that led at that time to the collapse of the Hungarian working class. And at that time conditions were incomparably more favourable than today.

At that time the revolution in Europe was on the rise; today waves of counter-revolution are pouring from Germany over all of Central Europe. At that time, upset by the experience of the war, the broad masses of the petty bourgeoisie, the peasants, and the intellectuals were on our side [but] today, impressed by the German counterrevolution, they have joined the camp of the national fascists. At that time, after four years of war, the soldiers had been revolutionised; today the government disposes over an army whose fighting ability has been significantly strengthened by the development of new weapons and motorised

transport. At that time we stood between the Hungarian and Bavarian council dictatorships; today we stand between German and Italian fascism.

Soviet Russia was able to defend itself in a three-year war of intervention by the capitalist powers. Could a proletarian dictatorship in Austria, which could not do without the importation of food, coal, and raw materials from abroad and is defenceless against its stronger neighbours, defend itself for even fourteen days against fascist Italy, reactionary Hungary, absolutist Yugoslavia, and fascist Italy?

No, here today the decision will not be between democracy and the dictatorship of the proletariat, but rather between democracy and fascist dictatorship. Today we know what fascism is. Every day we learn from the news out of Germany. And in the face of this danger, shouldn't it be more than a minor, rather banal matter to re-conquer democracy and make certain Austria avoids being drawn into fascist slavery?

Democracy means freedom to associate, to assemble, to publish, to demonstrate, to strike; it is freedom in leading the organised mass struggle of the working class. Wouldn't the struggle to re-conquer it be worthwhile?

Democracy is parliamentarianism. That means no one should surprise us in the middle of the night with the news that the Council of Ministers had carried out this or that narrowing of our social rights. No such decisions shall be made other than by open parliamentary struggle by representatives responsible to the voters. Doesn't winning back the protection of our rights mean something after our experiences since March?

Democracy is our productive work in Red Vienna. They are now attempting to use financial measures to cut off the flow of blood [to the city]. That's how they want to undermine our power there and make us ineffective. Isn't it worthwhile to fight to secure the possibility of productive work in the future?

An army must re-conquer a mountain chain that it abandoned in the last battle. This re-conquest would not be the final victory in the war but would be an effective means of strengthening its defensive position. People in the battalions might go around repeating such nonsense as: 'Why are we fighting over the mountains? We were already up there and know that it's not all that great. And when we take them back, we still haven't won the war'. What do we do with people who go around giving such speeches in the middle of the battle? According to the monarchy's old service rules, such people were to be 'wiped out'. Rightly. Because no army can take a position, if, in the middle of the engagement, you tell the men who are to risk life and limb that the position isn't worth the effort.

Today we have to re-conquer democracy. Surrounded by Germany, Italy, Yugoslavia, and Hungary, that won't be easy. It is foolish and damaging to

belittle the value of democracy in our ranks at a time in which it will take all of our effort to take it back.

But how must we carry out the fight for democracy?

Working-class forces have been weakened by the economic crisis, unemployment, and the mighty wave of counterrevolution from Germany that has engulfed Central Europe. In such a situation we have to take advantage of the antagonisms within the bourgeois camp and try to win allies from among the bourgeoisie and peasantry.

We have to be sure not to drive the blacks and the browns, the clerical fascists and the national fascists, into an alliance. Their merger would be the most dangerous thing for democracy and for the working class. In order to protect against that danger, we exercised the most enormous and painful restraint and discipline after 7 March. This tactic cost us very important positions. Nevertheless, it was successful because it allowed the antagonisms between the government and the national fascists to develop and intensify.

But the government camp is not unified. We see men in the camp of the government parties, who openly admit that their goal is a fascist dictatorship. But we also see elements there that seesaw between democracy and fascism. We must attempt to win over these elements for the reestablishment of democracy.

Austrian parliamentarianism fell into this crisis because, after the dissolution of the bourgeois block, it was no longer possible to form a strong, functional majority without Social Democracy and because the bourgeoisie was not prepared to make the concessions necessary for the Social Democrats to join a majority government. Now, as long as the counterrevolutionary flood that made the victory of fascism possible in Germany has not yet ebbed, it would be even harder than before 5 March. Nevertheless, if we want to restore democracy, then we must be ready to make possible a system of governance in which parliament exercises effective control despite the numerical weakness of the governing parties – even if we initially can control this system of governance only as the parliamentary opposition.

However, it is exactly those elements in the bourgeois camp that stand in strongest opposition to national fascism, including some who desire a return to democracy later on, that believe that the national fascist flood can only be blocked with the use of state violence. That's why they, too, support the suspension of civil rights. That's why they, too, fear the restoration of democracy. Hence important problems arise for our struggle.

When the Nazis recently attempted to terrify and intimidate the people of Vienna with bombings, the bourgeois newspapers cried out for the immediate imposition of marshal law and the dissolution of the National Fascist Party. At

that time the *Arbeiter-Zeitung* opposed them. Based on historical experience, it remembered that no powerful social movement could be overcome with such measures. It countered these demands with the democratic idea that, if Austria again desires to become a land of German freedom, we can much more confidently defeat national fascism with the attractive power of freedom rather than police measures. At that time, many of our comrades did not agree with the views put forward in the *Arbeiter-Zeitung*. They said that you could not defeat the bloody beast of national fascism only with intellectual weapons. Those who strangled freedom in Germany have no claim to freedom. You can only defeat those who turn to violence with violence. It is not our concern to protect them if the government thinks it necessary to resort to a strong hand.

We understand these criticisms of the *Arbeiter-Zeitung*. It is an understandable result of just rage called forth by the violent fascist regime in Germany. But they raise questions which one has to consider soberly.

In ancient Rome, when the republic fell into danger due to war or internal unrest, the Senate appointed a dictator and gave him unlimited power to do everything necessary to protect the republic. As soon as the danger had passed, the dictator stepped down and the Senate and the Roman people once again enjoyed their full rights. Dictatorship was a means to defend democracy in extraordinary times and to save it from danger. In our day, couldn't democracy be forced to defend itself with dictatorial means against deadly enemies like the national fascists?

Certainly, that could be possible and necessary. But it also depends upon to whom the democracy grants dictatorial powers for its defence.

Our comrades in Czechoslovakia have recently voted in favour of an Enabling Law granting extraordinary powers to the government. It is not for me to judge whether they were right to have acted in this way. I know they did not do it with a light heart. But they were still able to do it. By limiting the law's timeframe and through agreements among the parties that only a government in which Czechoslovakian and Sudeten German Social Democrats were represented could use this law, they were able to create the certainty, the guarantee, that this extraordinary power would not be misused to set up a purely bourgeois government, to say nothing of a fascist dictatorship.

But in Austria? Here we face a purely bourgeois dictatorship in which the fascists of the Heimwehr have taken possession of key positions of power. Can we desire that this bourgeois dictatorship be equipped with such terrible weapons as summary powers, martial law, and the right to dissolve entire major political parties if it used these tools initially only against the national fascists? Wouldn't the granting of these terrible instruments support the development of the current governance system in a fascist direction? In its hands, wouldn't

these weapons, even if used against the national fascists today, be turned against us tomorrow?

In their passion against national fascism, our comrades inclined against democracy conjure up particularly curious consequences. In theory they are for the dictatorship of the proletariat. In practice they would like to applaud the continued development of the bourgeois dictatorship as soon as it wields its dictatorial means against the national fascists.

Of course, we are not in favour of a soft and cowardly democracy. Extraordinary times and extraordinary dangers can also demand extraordinary measures and extraordinary powers against democracy's enemies. In a moment of extraordinary danger, we, too, could grant extraordinary powers to a democratic government, a government that is under the control of the people's representatives. But we cannot applaud if a system of government enjoying only minority support, not responsible to parliament, and embodying the serious possibility of developing into fascism, takes that power.

We can make it much easier for the democratic elements of the bourgeoisie to agree to the reestablishment of democracy by showing that we are prepared to agree temporarily to grant extraordinary powers to a system of governance under democratic, parliamentary control, which could secure the system and make possible Austria's robust defence of its sovereignty against national fascism. But we must decisively fight against these same extraordinary powers and extraordinary measures, which we have granted in a constitutional manner, if any bourgeois dictatorship emerges to usurp them.

Our Lower Austrian comrades have made this distinction. When, based on a government decree, the governor of Lower Austria wanted to block Nazi participation in the meetings of the state assembly, they resisted this action as unconstitutional. [On the other hand], they voted to annul the Nazi mandates through constitutional legislation approved via parliamentary means. They have, I believe, acted correctly. Their action averted a breach of the constitution, which would have been a dangerous precedent, and obviated the danger to the remnant of democracy that still exists in the states.

We don't unconditionally reject dictatorial exceptional laws, if they are issued constitutionally and are subject to parliamentary control. But we may not expect all too much from violent state measures against the Nazis and must reject any such measures even if they are decided upon constitutionally.

In mid-June the government arrested many Nazis. In the small cities of Kärnten and Salzburg, school principles, doctors, and foresters were arrested. Released a few days later, the population greeted them with large and sympathetic demonstrations. The arrests had achieved the opposite of their intended goal.

Should that surprise us? Anxious citizens might be intimidated through state repression. But today there are many despairing and bitter unemployed, petty bourgeois, and small peasants, who are deceived and attracted by the revolutionary gestures of the counterrevolutionary national fascist movement. In Germany one astutely described the sentiment of the despairing and upset people with the words: 'Always [stand] on the opposite side from where the Schupo stands'. State oppression of the Nazis just drives these embittered people into their ranks. If we support the bourgeois dictatorship's violent measures against the Nazis, then we appear to be a pillar of the bourgeois system. Hence, some young unemployed, oscillating back and forth between the Nazis and us, are pushed toward them.

It works similarly with violent measures of a different type. Many comrades demand that Vienna's government throw out all officials that are inclined toward national fascism, even if they loyally do their duty, and they regard such a demand as very 'revolutionary'. But all public employees regard their jobs, which are protected by rights that can only be set aside based on decisions reached by an independent disciplinary commission, as their most important social achievement. We would drive whole armies of public employees to the Nazis if we, just to get rid of National Socialist officials, attacked the social achievements of public employees, which we ourselves had won for them.

Take care not to hope for too much from police measures against the Nazis!

National fascism has much broader attraction for the masses than the government parties. In that regard it is the more dangerous opponent. But the government parties dispose over the means of state violence and hence are more dangerous to us. Take care that, as enemies of the Nazis, we don't appear as allies or supporters of the system of bourgeois dictatorship.

In the course of events, as important as it is to come to an understanding with important segments of the bourgeoisie about the reestablishment of democracy, it is still more important, initially, to maintain the working class and the broad masses of working people beyond it in constant protest, in constant activity, in constant readiness to make all manner of sacrifices in the struggle against the dictatorship of the bourgeoisie. We must mobilise the will to freedom and the people's love of freedom against it. But an opportunistic support for democracy, which grows furious about the violation of civil rights if it occurs against us, but applauds the same violation of rights if it impacts our opponents, will never mobilise powerful moral forces against the dictatorship. Only a fundamental insistence on democratic principles which does not light-heartedly abandon civil rights for the purposes of fighting our enemies and a firm insistence on the law, which combats its violation even

when it impacts our enemies, will be able to attract followers far beyond the ranks of the working class to the struggle for freedom and for threatened rights.

Bismarck, who truly had understood the role of violence in the great decisions of history, had nevertheless warned against underestimating the historical impact of 'the imponderables', the moral forces that strive for the souls of nations. In today's world, the ideas of which were formed in war and poisoned by fascism, friend and foe underestimate them. And yet, in Germany's isolation, in the world's answer to his raging gangs, Herr Hitler has experienced how dangerous it is to underestimate them. We must take care to avoid this underestimation. In the struggle against the dictatorship, we can only win if we carry out the fight in the complete moral dignity of a struggle for the rights of all and with the pathos of a struggle for the freedom of all.

All possibilities remain open. The current system of government rests upon a minority of the people. To the right and the left of the government parties stand the broad, embittered masses. In the long run [the government] will not be able to fight against the right and the left at the same time. Whether it ultimately seeks an agreement with the right or with the left opposition will not depend on domestic political considerations, but rather on foreign political influences. In this situation, it would be foolish to block any possibility that might make it easier to reach an understanding with democratic elements in the government camp on the return of democracy. However, in this situation it really would be a crime against the whole future of the working class to deceive it about [the fact] that matters could also turn out differently: development[s] could ultimately force it into the decisive battle that we avoided in March. The criticisms of some outsiders that we did not risk the decisive struggle at that time remind us of those criticisms that Victor Adler attempted to dispel with the words, 'to the lapwing, no game is high enough'. The critique of our tactics by some comrades proves only that they have assessed neither the weakening of the working class by the economic crisis nor the military strength of our opponents soberly. But as irresponsible as it would be to take up the decisive struggle as long as the possibility exists of matters sorting themselves out with much less sacrifice and danger, we must preserve in the working class the recognition that the hour can come in which we have only the choice between ignominiously surrendering or fighting boldly. To anchor the knowledge that the decision lies ahead, to maintain the working class in determined readiness not to let itself be crushed without a fight, that remains the most important task in our struggle for democracy. We should not promote the erroneous notion among the workers that it will be the bourgeois dictatorship that will use violent means to destroy national

fascism, because the determined will of the working class must remain alive to defend its freedom, if it becomes necessary, by bringing all of its strength to bear.

Otto Bauer, 'Um die Demokratie,' *Der Kampf*, 26, 7 (July 1933): 269–76.



Work for 200,000 (1933)

On 15 July 1933 the national conference of Free Trade Unions met in Vienna. Otto Bauer spoke as follows:

For the last four years the economic crisis has weighed upon the capitalist world. It broke out in 1929. When the first effects of the crisis appeared to moderate and some believed that a long depression would follow the crisis, then came the great storm with the collapse of the Creditanstalt in Austria and the collapse of the Danatbank in Germany. Then, a few weeks later, in September, as England abandoned the gold standard, the great storm broadened and intensified the crisis beyond anything previously experienced, with unemployment of unheard of dimensions throughout the capitalist world, production sinking to incredibly low levels, and the credit system around the world in ruins. And after a certain calm seemed to set in the following year, in 1932, then this year in March came the great banking collapse in the United States, which was followed by the collapse of the dollar and resulted in a new shock to the whole capitalist world.

In Austria, where we enjoyed a bit of the earlier prosperity, we were hit particularly hard in the framework of this tremendous worldwide shock. I don't need to describe the crisis in Austria – it is terribly well known to everyone here. All our doctors tell us that the number of children born in the hospitals who are incapable of survival is growing very large; they tell us that, according to their investigations, practically all of the working-class youth, almost all the children of the working class, are in a dangerous state of undernourishment.

And the physical endangerment of the unemployed masses goes hand in hand with its spiritual [endangerment]: its decline into a numbing despair that sucks the life out of people. A whole people are in danger of physical and spiritual collapse.

We know very well – and have said so openly from the beginning – that there is certainly no chance to turn Austria into a blessed isle in the midst of

this accursed capitalist world, in the midst of 30 million people unemployed worldwide. But we have always demanded and must demand, in the context of what is happening around the world, to do everything humanly possible to create work.

I assert that it would be possible immediately to create 200,000 jobs for Austria's unemployed through a systematic and bold policy of state actions.

Work for 200,000 unemployed would mean that hope would again arise among the despairing masses, who have practically no hope left, among the masses at the employment agencies, in the bureaucratic waiting rooms, in the impoverished neighbourhoods in the industrial regions and in the cities. Work for 200,000 would mean that 200,000 people who today must live on a pittance of emergency aid, the fourteen or seven schillings per week that a family usually receives, would receive union-scale wages, would again become consumers, and would thereby create work for a large number of the remaining unemployed. That would mean that, in one blow, thousands of small enterprises and thousands of salespeople would have a market for their products; that would mean that a major cause of our agrarian crisis would be overcome via the whole population's increased demand for agricultural goods. To give work to 200,000 unemployed would mean that the railways would again deliver raw materials to these workers and pick up the finished products from their workshops, which would resolve the deep crisis of our rail system and ease the terrible pressure now weighing upon our railway workers. Work for 200,000 unemployed would mean an enormous increase in consumer buying power and thereby also a rise in tax revenue for the federal, state, and local governments; it would do away with the deficits whose stranglehold impacts public employees especially hard. Work for 200,000 jobless would mean that one could allocate much more unemployment support for the remaining unemployed than is possible today with the enormous number of those requiring assistance. Beyond the economic and the social, jobs for 200,000 unemployed would be much more effective at combatting fascism than all the measures taken by the police.

But with what means can we create 200,000 jobs for the unemployed? Today it goes almost without saying that taking on large-scale public projects is the most important one. Everybody today is talking about public works and everyone recommends them as a means of easing the crisis, as a means of creating jobs. Indeed, one must be cautious in the face of all these proclamations about what will occur or has already occurred.

In Austria we now have the following picture: The federal government has cut material expenditures almost completely from its budget; there is nothing left for jobs or goods. The states and local governments are in the same situation. In addition, the federal government, by demanding a series of emergency

payments to the tune of 50 million schillings, has taken away income from Vienna, the only place in Austria undertaking large-scale public works. As a result the city has had to reduce its public projects. And after all that [the federal government] is announcing a few additional street construction projects, undertaken as public works, [and] it wants to carry out a pair of public projects using the Volunteer Labour Service or what amounts to unpaid workers.

To anyone who has seen the numbers it is clear that what the government has achieved in the realm of job creation amounts to far less than the cuts to public works that have occurred, and the overall result has not been an increase in demand for labour. [The policy] is unsatisfactory and requires, instead, making possible large additional expenditures, next to the normal outlays of local government, that would really create new jobs.

Of course there is and has never been any shortage of possibilities for public projects. Previously, the difficulty was always finding the money to finance them. Some opportunities are opening up, however, which, if managed correctly and with determination, would make significant public employment possible. For the last year the Austrian government has sought a foreign loan, and there can be no doubt that it will receive it in the next few days. There is also the possibility that, a few weeks after the acquisition of this foreign loan, the government may negotiate a domestic loan. For Austrian circumstances we are talking here about considerable sums and this raises the question of whether they will be used to create jobs.

There is a serious danger here. According to earlier intentions and according to federal government agreements with the National Bank and with foreign creditors, the domestic loan should be used largely to pay the federal debts to the National Bank. One can't really protest sharply enough against that. Right now or in the next few months, paying back federal debts to the National Bank would do the opposite of that which is necessary. The federal government would borrow monies now deposited with savings banks, with [other] banks, or with individual capitalists, perhaps in part abroad, and would use the banknotes acquired in this way to pay off the National Bank, which would not use them to issue credit to people, but to pulp them.

That would mean letting buying power lie fallow, reducing buying power available domestically, and deflation. Because the circulation of banknotes has fallen again after reaching its peak, and because the shilling really is stable, under current circumstances deflation would mean that we not only would pass up the opportunity to use the resources to create jobs, but by freezing and shrinking buying power we would reduce demand for labour even further and intensify the crisis all the more. Therefore, the following is the very first thing that must be said about the question of work: It is not the time to use the returns

on the loans for such goals, but every cent available to the federal government, whether from abroad or from domestic [sources], should be used for no other purpose but job creation.

Another question then follows: Can the state get so much credit at home that it would have real meaning for creating employment?

Here we encounter the general problems of credit policy about which I want to say a few candid words. It is no wonder that at a moment in which the greatest and richest state in the capitalist world, the United States of America, is carrying out an inflationary experiment of unheard of dimensions, inflationary approaches are gaining ground in all capitalist countries. We don't need to be ashamed that this is also occasionally occurring in our ranks. I don't want to attempt any theoretical expositions on this problem, which have no place here, but only to warn about two things. First: we don't believe that the great inflationary experiment in the United States proves anything to us here in Austria. One is in a totally different situation there because, among other things, the still gigantic gold supply of the United States provides the government with security to halt the dollar's falling value at any moment it wants, if it pursues a planned devaluation of the currency, while we in Austria – in a wholly different situation – know from our experience from the war until 1922 that we would not be in such a position and a new currency devaluation could soon become unmanageable. Second: We also don't really believe that small experiments, like the one in the community of Wörgl, prove anything to us. It doesn't mean anything for the value of the Austrian currency if a small community distributes *Schrumpfgeld* in sums of a few thousand schillings; it could have totally different effects if the state did the same thing on a large scale.

I believe that the terrible experiences of the war and early post-war years are so well remembered that on one point we have to be united: we do not want any devaluation of the currency; we do not want Austrian workers and employees once again sliding into the strudel of a falling currency. But as sure as we are that we don't want the currency devalued, then just as certainly must we demand that all possibilities for the expansion or creation of credit are exhausted, while doing everything possible not to fall into an uncontrollable devaluation of the currency.

When we look at Austria's credit history in recent years, then we see the following snapshot: Until the end of 1930 the circulation of banknotes in Austria on average amounted to about a billion shillings. Then came the great crisis of the Creditanstalt. The state intervened and the currency bank made huge sums available to the collapsing banks. As a result, the circulation of banknotes rose from about one billion to 1.2 billion shillings. This increase of one-fifth

was enough to devalue the shilling about twenty-seven percent. That was a devaluation that began because they wanted to increase the amount of money in circulation as a means of supporting the banks, while on the other side commodity production did not rise but instead declined. The circulation of currency has meanwhile fallen again to its old level prior to the Creditanstalt's crisis, while the National Bank's reduced stock of gold and hard currency will be considerably restored by the influx of foreign loans.

On that basis a credit policy is now possible that, in recent years, was not on the cards: it is possible to ease and expand the availability of credit without endangering the value of money or slipping into an unmanageable devaluation of the currency. That is what we must demand.

What can you expect to achieve from this approach to using credit? I believe that you would perhaps not be mistaken if you think that about 300 million shillings from the foreign and domestic loans could be made available for the purpose of job creation. This assumes that they give up the foolish and, for our circumstances, damaging plan to use the domestic loans to pay back the federal debt to the National Bank and that the money is not used recklessly but boldly to expand credit.

The question now is: How many unemployed can be provided with work? We must avoid reckless and demagogical estimates. Initially, I want to assume that these 300 million shillings will be used for work that pays the highest possible wage rates, and further I want to assume that the money will be used as much as possible for work that will largely stem from the domestic production of raw materials and not from raw material imports. Under such conditions, I can assume that about half of the 300 million shillings would be used to pay wages directly and indirectly to Austrian workers. The wages would be paid directly to workers on public works and indirectly to workers producing the raw materials for these projects. How many workers would that cover?

I believe we agree that for projects of this type the Volunteer Labour Service is to be excluded. For as little as I want to deny that the Volunteer Labour Service also can serve useful purposes if it is limited to providing unemployed young people with the opportunity to work on projects of benefit to themselves or to the community that would never be undertaken by private firms – something like what is now organised in Vienna – then we agree that the use of the Volunteer Labour Service on a large scale in public works would place dangerous downward pressure on wages for the whole Austrian working class. One must grasp this much: the reduction of workers' pay rates causes the reduction of their buying power and cannot be the means of exorcising a crisis in sales. The use of productive unemployment assistance, however, is a totally different matter, because with it the worker receives his full, contractual wage and

the public institutions carrying out the public works benefit, because instead of using unemployment funds to pay the workers' unemployment insurance, the funds are used to employ workers. I can therefore assume that one can use productive unemployment assistance for public works.

With that assumption in mind, if I want to figure out the distribution of these 150 million shillings, I don't need to calculate an average wage for an individual worker at more than 2,500 shillings per year, because I can assume that the increase that he receives in wages will be covered by means of the productive unemployment assistance. I get a result that at least 60,000 workers could be employed through the year on these productive projects. That is only a portion of the 200,000 whose employment appears to be possible. We need to look for other ways [to accomplish this end].

The whole world is talking about the new arrangement of economic relations among the states in the Danube region. Here we are dealing with a question whose significance is still underestimated by many comrades and which is of life and death importance for the whole Austrian economy. Until 1918, our industry, our commerce, and our trade served the whole Austro-Hungarian economic area. In November 1918 they lost six-sevenths of their earlier market territory through the disintegration of the old empire. Our sales in the successor states, which were once our old markets, have continually shrunk as a result of the falling buying power of these countries. This is a consequence of the world economic crisis and especially the agrarian crisis, but it is also a result of the successor states' high protective tariffs as well as the tariffs levied by Austrian trade policy. So our sales in these successor states have fallen even faster than those of our exports to the rest of the world.

It is clear that you can't revoke world historical processes and no one can think about establishing something like a customs union among the successor states. But one can always consider again building closer economic connections between these states, which should be created through a system of preferential duties. This would have the practical effect that the agricultural states in this group should prefer to buy their industrial products from Austria and Czechoslovakia rather than from Western Europe, and Austria and Czechoslovakia should cover their agricultural needs for grain and cattle from these countries.

In recent years such projects for a system of preferential tariffs have been considered a hundred times, but they have failed due to the political antagonisms among the great powers of the Danube basin, above all those among France, Italy, and Germany. These antagonisms continue today. Italian imperialism wants a closer tie between Austria and Hungary, because that would mean the incorporation of Austria into the Italian system of domination.

French imperialism wants the opposite: it wants Austria to move closer to the states of the Little Entente, which are its allies.² But now, as a consequence of Hitler's policy, the main political competitors in this region, France and Italy, are seeking a mutual understanding, [and] a bold Austrian policy might very well be able to eliminate the main obstacle that has blocked the resolution of this problem.

If one wants to resolve the economic questions of these states in the Danube basin, then the first requirement for that is for Austria to remove itself from the power struggle among the great powers. To that end there is only one means: the unreserved internationally recognised neutralisation of Austria. That would mean that Austria, once neutralised, could be more easily linked into economic relations, which would then only have significance in the economic sphere rather than in that of foreign policy. The moment for such an energetic initiative has never been better, because it is in the French and Italian interest not only to fend off the aggression of Hitler's Germany by neutralising Austria, but also simultaneously to create a possibility for themselves of reaching an understanding on the regulation of issues in the Danube basin.

If one did not wait here apathetically and inactively to see what the great lords in Paris and Rome decide is good for us, but instead dared to take powerful independent action in Austria's interest, [then] with the neutralisation of Austria one could also create favourable economic ties with all the neighbouring states. I will again try to show what that would mean economically, with some data.

In 1931 Austria had exported commodities valued at 1,326 million shillings, but in 1932 commodities worth only 783 million shillings. In a single year our exports fell by 543 million shillings, although 1931 was a year of a terribly difficult economic crisis. This year has brought a decline that is proportionately just as large. Is it utopian if I were to assume that we could raise our export totals as least as much if we had a system of preferential treaties with neighbouring states to which our exports fell between 1931 and 1932?

What would it mean? I may assume that in a mass of commodities worth 540 million shillings at least one-third or 100 million schillings can be directly and indirectly ascribed to wages. That is certainly not too high an estimate and is probably too low. And if I assume – here, of course, I may not include the productive unemployment insurance again – that the average wages of

2 The Little Entente was an alliance of Czechoslovakia, Yugoslavia, and Romania established in 1921 to fend off Hungarian efforts to revise the post-war settlement and to prevent a restoration of the Hapsburg Empire. France supported this alliance by signing treaties with each member state.

workers in these export industries amounts to about 3,000 shillings per year, the result is that the yearly money wages of 60,000 workers are embodied in this aggregate of commodities. That means: If we are in the position to push through our initiative for a policy of political neutralisation and closer economic relations with neighbouring states, one could create jobs for 60,000 unemployed.

Here I can also say that this is a conservative estimate. In reality it is likely to be more than less. But when one takes everything into account that I've just put forward, namely, that at least 60,000 unemployed could get work through public projects and that at least 60,000 could get work via a change in economic policy with other states, then that still does not mean that the enormous army of unemployed we face would be employed. So I believe we must now say: When there was a bread shortage in the country, one rationed bread so that everyone got at least a share. And if, as a result of this infuriating crisis, there is too little work in the country, then one must ration work and make sure that the available employment opportunities are at least spread among as many workers as possible.

In the long run the current situation is impossible and is a colossal danger for all workers and employees. We employ less than two-thirds of the workers and employees in the factories [than before the crisis] and outside we have a huge mass of over 400,000 people excluded from work. Therein lies the terrible danger that, below the employed workers, a class of long-term unemployed is forming that has slipped into hopeless despair, is forced to take work at any price, and, therefore, can be misused by businesses to place enormous downward pressure on the wages of those still employed. The beginnings [of this phenomenon] can be seen through the Voluntary Labour Service.

Therefore, in my opinion it is a question of life and death for the whole working class to take measures to distribute work to the greatest number of blue and white-collar workers. To that end one doesn't have to make new demands but only insist on what the unions and the party have long demanded. We have always called for the reduction of work time to a maximum of forty hours per week; we have always demanded legal measures to reduce the number of double earners and the regulation of entrance into the labour market though obligatory and proportional distribution of work.

What would these attempts to ration work mean? Again, I'll estimate conservatively. My starting point is the number of workers employed in businesses with mandatory accident insurance. I exclude the smallest firms (those with fewer than five workers) along with those enterprises, which are already operating on a basis of fewer than 40 hours per week (a large number of plants). Even with this cautious estimate, I can assume that there are still enterprises in

which about 350,000 workers are employed full-time with 48 hours per week. If I now assume that legislation would reduce employment in these enterprises from 48 to 40 hours and that the employers would increase the size of their workforce by one-fifth, then that alone would create work for about 70,000 workers. If I go even further and consider larger enterprises, which are outside the accident insurance system, especially public agencies and plants, then I naturally arrive at a larger number, one that is considerably over 70,000. And when I add in the impact of legislation to reduce double earning, then it is certainly no exaggeration to assume that one could create at least 80,000 to 100,000 jobs using all these methods of rationing work.

I've now come to the end of my calculations. If you add these numbers – 60,000 through public works; 60,000 through a new economic policy; 80,000 to 100,000 through a 40 hour week and a reduction in double earning – then I think you have to confirm that I did not go too far when I said that with a purposeful and bold policy it would be possible to create 200,000 jobs for the unemployed in our country.

This is what we have to tell the masses of blue and white-collar workers who have been impoverished by unemployment, shorter work hours, and falling wages. We have to provide them with a goal: To win jobs for 200,000 unemployed.

To call for struggle is easy, but in this Austria, in the middle of a Europe swamped by fascism, it is harder than ever before. We are making this demand at a time in which press freedom no longer exists, in which the freedom of assembly no longer exists, in which the trade unions and workers' chambers are no longer heard, and in which there is no longer a parliament. One must see this context. One must see the goal – the economic goal. But we can only fight successfully if we fight for everything that gives the blue- and white-collar workers the possibility of influencing the state's economic, domestic, and foreign policy.

That's why we have to tell the workers: When you want to fight for 200,000 jobs for the unemployed, you must conduct the fight for work as a struggle for the reestablishment of lost freedom.

Today, I have intentionally put forward rather cautious estimates, because at a moment in which people have already lost so much faith, one can only set a goal that they can believe in, one that is convincing, one that is believable.

We stand today between fascisms, between German fascism and Italian fascism and between the Nazi and the clerical fascists in our own country, but I am convinced: When we are able to place this goal before the working class, then its forces will be victorious in the two front war we have to fight.

Because I am convinced: In the confusion of this period, in the end victory will not come to those who have nothing to offer to the people other than nationalist phrases on one side and patriotic gestures on the other. On the contrary, victory will come in the end to those who show the people a way out of the crisis and have the courage and determination to lead them along that path.

Otto Bauer, *Arbeit für 200,000: ein Wegweiser aus der Not* (Vienna, 1933) (*Werk-ausgabe*, 3, 941–52).



Social Democracy and the Corporate Order (1933)

Our party has not yet expressed itself on the variety of plans for corporate professional organisations that are now being discussed. These plans are so vague and have so many meanings that up until now it was neither possible nor necessary to take a position. But now we have made an effort for the responsible bodies of the party to develop a position. To that end, over the last few months the *Arbeiter-zeitung* has discussed these plans in a series of occasional articles. It is now appropriate to summarise the results of these discussions without anticipating the decisions of the responsible party organs.

All the plans for corporate professional organisations have the common goal of organisationally uniting workers and owners in the exercise of particular social functions. But the implementation of this idea can occur in various ways. Two different organisational plans stand in opposition to one another: the plan to construct a self-administered corporate professional organisation, a type of economic democracy organised by trade, on the one side, [and] the plan for the construction of a fascist system of corporate organisation following the Italian model, on the other.

The plan for corporate self-administration requires the bringing together of freely elected representatives of the workers and the owners to carry out certain functions. In contrast, the plan for a fascist system of corporations excludes the free election of workers and owners; instead, representatives named by the government take the place of freely elected ones.

The plan for corporate self-administration presumes the right to freely form coalitions. That means both the right to form organisations and the right of workers to strike and of owners to lock [workers] out. Only the balance of powerful organisational forces drives workers and owners to negotiate and

reach agreement. On the other hand the fascist plan assumes the annihilation of the right to organise and especially of the right of workers to strike. In place of an understanding between labour and capital steps the despotic power of the state.

The plan for corporate self-administration wants a political democracy that convenes the entire population to determine the fate of the nation, the states, and the local communities based on universal and equal suffrage and which is enhanced by the collective self-administration of individual branches of the economy. In contrast, the fascist corporate system presumes the elimination of political democracy and the establishment of a dictatorship of the fascist party, which serves as the instrument of domination over the corporations of workers and owners.

Of course Social Democracy implacably opposes the fascist corporate system, which subjugates the entire nation to a party dictatorship, robs workers of their rights to freely elect their representatives and to strike, and transforms them into powerless and defenceless subjects of the capitalists. On the other hand, Social Democracy can certainly find common ground with the idea of the corporate self-administration of the trades, which does not destroy workers' rights to organise and strike but presumes them, which does not eliminate political democracy, but enhances it.

However, such a system of corporate self-administration cannot be decreed according to rigid prescriptions from above. It must grow organically from below through the development of already existing institutions.

The foundation and point of departure of any system that aims to move owners and workers into joint discussions, negotiations, and agreement must be that of freely elected shop stewards and representatives of the personnel. These are the organs through which the workers and employees within the individual enterprises can talk with the owners and reach mutual understanding. Of course they must be freely elected representatives. The appointment of workers' representatives by the government is a direct contradiction of the notion of self-administration of the professions. Capitalists negotiate with shop stewards on the basis of equal rights only when a capable force stands behind [the workers]. The right of workers and employees to freely organise is the prerequisite for maintaining and developing the methods of joint consultation and understanding between enterprise councils and the owners, between the representatives of the workers and their bosses.

If the enterprise councils focus their efforts within the individual plant, the collective contracts are the means of reaching agreement between the owners and workers in entire branches of trade and industry. With unhindered development, these collective agreements lead to the emergence of contractual

partnerships with common institutions such as agencies to regulate wages and working conditions. Only free and potent organisations of workers and owners can be responsible for this development. Fascist corporations cannot conclude free and mutually agreed upon contracts between workers and owners or form contractual communities. They can only implement and impose the decrees of the state.

This does not exclude the founding of public organisations of workers and owners for purposes other than that of regulating wages and working conditions. Such public organisations can take on functions like those exercised today by business cooperatives. They could become important for licensing workers, for training of new ones, for regulating production and sales, and for the economic and political representation of branches of trade and industry. Such organisations should not be created for all of trade or for all of industry, but rather for individual business sectors (for locksmiths, carpenters, and so on), because only within a narrow branch of trade or industry is there such a community of interests that workers and owners can cooperate fruitfully. On the other hand, one must refrain from transferring functions to these public bodies that, as experience has shown, can be better provided across industry and trade as a whole. This is the case with health insurance, for example, the provision of which via trade cooperatives only ended – with good reason – a few years ago or with unemployment assistance, which, if risks were divided by industrial and commercial sectors, would be particularly dangerous for those branches hit particularly hard by the economic crisis. Of course the cooperation of workers and owners in such public corporations presupposes complete equality between them, the free election of their representatives, and the exclusion of any bureaucratic tutelage.

Above the public corporations of the individual economic branches, the chambers serve as the organs of self-administration of the whole economy. The independence of the individual chambers must be maintained because their most important practical functions, such as the issuing of reports over draft laws concerning social and political matters, in which workers and owners have opposing interests, legal advising for the unemployed and the protection of apprentices, in which worker and owner interests are again opposed, cannot be provided by joint chambers of owners and workers. But there is nothing that prevents constructing joint organs over the chambers for specific purposes, as is the case today with the worker, retailer, and agricultural chambers in the Commercial Policy Association and certain other joint commissions that work together. This cooperation could be substantially expanded. Nevertheless, a prerequisite for that would be the autonomy of the individual chambers and the free election of their organs. As with the organs of the trade and agri-

cultural chambers, the organs of the workers' chambers must be freely chosen and the dictatorial decrees of government officials may in no way reduce their autonomy.

In connection with the chambers, owners and workers can also cooperate in other joint bodies, especially in the district industrial commissions and labour departments on the one side and in social insurance organs on the other. These joint bodies already exist, but today they are in danger of losing their autonomy and falling under the control of the bureaucratic dictatorship. That is in direct opposition to the concept of corporate self-administration.

Only the construction of autonomous enterprise councils and chambers independent of bureaucratic tutelage can lead to real corporate self-administration. Nevertheless, whoever remembers the decrees of recent months will not fail to recognise that these orders did not aim at expanded corporate self-management. The total undermining of railroad workers' representation, the replacement of freely elected shop stewards with appointed representatives in the Postal Service, in the Sick Fund Agency, and now in federal offices, public institutions, and transport related enterprises, the replacement of freely elected organs of the workers' chambers by appointed administrative commissions under the complete control of government officials, the reduction of the district industrial commissions' autonomy – all of this does not lie on the path toward corporate professional self-administration. On the contrary: the most important steps already taken toward self-administration have been eliminated and in their place – completely in opposition to the 'principle of subsidiarity' in the *Encyclical** to which its supporters still refer – the system of the bureaucratic authoritarian state is expanding. If you really want corporate professional self-administration, you would have to go down a totally different path. If you continue on this road, then you don't arrive at self-administration, but rather at a corporate system following the Italian model.

That is the result of our discussions on the issue of the corporate organisation of society. To be sure, in Austria one is talking about whether one should erect a corporate organisation of the state over that of the society. This is the problem of the corporate parliament, from which this whole discussion in Austria really got its start. But this wholly different sort of problem requires a discussion of its own, for which we will find the occasion.

* Bauer is referring here to the *Encyclical of Pope Pius x on Reconstruction of the Social Order*, a fundamental document of corporate Catholicism, published in 1931.

Otto Bauer, 'Sozialdemokratie und Ständeordnung,' *Arbeiter-zeitung*, Vienna, 27 December 1933 (*Werkausgabe*, 7, 512–16).



Revolution and Counterrevolution in Austria (1934)

It is still too early to describe the bloody events that are playing themselves out in Austria. But something can and must be ascertained about the immediate cause of the outbreak of revolution.

Since 7 March 1933, the day that the Dollfuß-Fey government overthrew the state, Austrian Social Democracy has undertaken the greatest efforts to make possible a peaceful, constitutional solution to the political crisis.* Social Democracy practised the greatest restraint for eleven months. It did not respond with violent resistance to the shutting down of parliament and the establishment of an absolutist government ruling by decree, to the dissolution of the republican Schutzbund, to a whole series of emergency decrees which unconstitutionally abrogated the working class's right of assembly and freedom of the press, reversed the workers' social achievements, and stole the income of the Social Democratic administration in Vienna to render it ineffective. On the contrary, until recently it had repeatedly made every effort to negotiate with the Dollfuß government and with the non-fascist wing of the Christian Social Party over a peaceful agreement and the formation of a united front against the National Socialists.

But this peaceful and patient outlook of the Social Democratic Party only encouraged the Dollfuß-Fey government to take ever more hostile actions against the working class and Social Democracy. Until the last few days, Herr Dollfuß had arrogantly and insultingly rejected all efforts to start negotiations.

In contrast, the workers' embitterment over the government's course swelled unceasingly. It was fuelled in large measure by Minister Schmitz's decree excluding all workers organised in free trade unions from projects carried out by the federal government and by private firms working for the government.**

* Dollfuß's second cabinet was established on 21 September 1933 and its membership changed frequently. For example, Emil Fey, the Vice Chancellor and Heimwehr leader, was in office only until 1 May 1934.

** Richard Schmitz (1885–1954) was the Social Minister in Dollfuß's second cabinet until 16 February 1934. Thereafter he was installed as the government's commissar and as Mayor of Vienna.

According to the ministerial decree, these projects can only employ workers assigned to the work by labour exchanges controlled by Christian Democratic unions and the Heimwehr. The working class viewed this decree rightly as an attempt to force the unemployed to join the Christian Democratic unions, which had organised only a tiny fraction of the Austrian workers, or to join the Heimwehr.

The embitterment of the working class became increasingly directed toward the party Executive Committee's policy of waiting and its readiness to come to an agreement. Vigilant groups of party members demanded action ever more vehemently. Nevertheless, the party Executive stuck to the line agreed upon at the party congress in the autumn: The party could only call for a general strike in the most extreme circumstances, only if the government imposes a fascist constitution, if it removes constitutional governments at the state and local levels, if it dissolves the party, or takes over the unions. As long as none of these scenarios occur, then attempts at a peaceful solution must be continued. Over the course of months, however, it became increasingly difficult for the Executive to make the necessity of the wait-and-see policy clear to the workers.

In recent weeks the signs multiplied that the government aimed to strike a decisive blow against democracy and the working class. The Minister of the Constitution, Dr. Ender, announced that within a short time, Austria would have to move toward a '*transitional constitution*' that would *almost create a dictatorship*.^{*} In the new constitution there would no longer be a parliament elected on the basis of universal suffrage. Social Minister Schmitz announced that there would be no longer be free trade unions in the new Austria but rather only a quasi-state organisation. There would no longer be a right to strike; instead the state would have the power to settle all wage conflicts. Heimwehr [units], mustered as state police and armed and paid by the state, should deliver an ultimatum to the leaders of the federal states demanding the immediate removal of constitutional state governments, first in Tyrol and then elsewhere, and their replacement with Heimwehr-dominated state committees. At the same time, the Heimwehr demanded the dissolution of the Social Democratic Party and all the local governments in which it had a majority. The Heimwehr bluntly threatened to violently seize state government buildings and city halls if its demands were not met. A fascist seizure of power appeared to be imminent.

* Otto Ender (1875–1960) was a Christian Social politician who served as a government minister charged with overseeing the reform of the constitution and the administration between 23 September 1933 and 10 July 1934.

On the same days in which the Heimwehr issued its demands, Heimwehr Minister Fey ordered the arrest of the republican Schutzbund leaders in Vienna, the federal states, and in individual towns and districts, as well as the cleaning out of the Schutzbund's stocks of weapons, which had become known to the police, in Vienna and the surrounding area. Naturally, that had to awaken the impression among the workers that at the same moment the Heimwehr was launching a Putsch against democracy, it was attempting to disarm the working class and, by arresting its local leaders, to disorganise the Schutzbund.

This impression was strengthened by a provocative communiqué issued by Vice Chancellor Fey on 11 February 1934. The communiqué presented the weapons discovered by the police as proof of a *Marxist-Bolshevik criminal plot* against the security of the state, which forced the latter to take ruthless action against those responsible in the next few days. It was clear that Fey similarly wanted to use the weapons and explosives found in the Schwechater district, near Vienna, as a pretext for the decisive blow against Social Democracy, just as Göring had used the Reichstag fire [in Germany]. Of course, Fey knew very well that the working class had hidden its weapons since the Revolution of 1918, had never used them, and had preserved them only in case it became necessary to defend democracy against a fascist attack. These events led the working class to the following view: Over the next few days, under pressure from the Heimwehr, our enemy will seize control over state and local governments. It is preparing to take action against the party. It is preparing a fascist constitution that will abolish universal and equal suffrage and do away with workers' rights to organise and strike. In this situation, if we don't want to face an impending fascist seizure of power defenceless and impotent, we cannot allow ourselves to be disorganised by the arrest of the Schutzbund leaders and disarmed by the seizure of our weapons.

Nevertheless, the Party Executive still stuck to its position. It thought it necessary for the working class to wait for the results of negotiations promised for Monday, 12 February, between the Federal Chancellor and state government leaders regarding the Heimwehr's demands. In keeping with the decisions of the Party Congress, the workers should not take action as long as one of the four scenarios – which would make a defensive struggle to protect the constitutional order unavoidable – has occurred. Even on Sunday the functionaries of the Party Executive had instructed and warned comrades, who had reported on the workers' agitated state, not to take action on their own. But the agitation of the masses had reached such a level that the Party Executive's warnings could no longer be effective. Early on Monday, as the police in Linz wanted to seize weapons and arrest Schutzbund leaders [and] two days after the Heimwehr had

made their demands for bringing the state governments into line (*Gleichschaltung*) and the dissolution of Social Democratic local governments, the workers in Linz took action.*

But in Vienna, too, the working class was very agitated early Monday morning.

On Sunday, in Floridsdorf, Vienna's most important industrial district, comrade Stockhammer, a highly respected shop steward among Floridsdorf workers, was arrested. Early on Monday morning the workers in the Floridsdorf factories demanded a strike to protest this action. As the proposal was being discussed in the factories, it became known that street fighting was underway in Linz. Now there was no more holding back. The Vienna workers felt like they could not leave those in Linz or Upper Austria in the lurch; they could not leave them to fight alone if the whole working class was not to be made defenceless from one locale to the next and thus stand impotent against the fascist seizure of power expected any day. And so events took their course.

Had the Party Executive succeeded in carrying out its policy to the last hour, the struggle still would probably have been unavoidable. The enemy was intent on actions that, in any case, would have forced the working class to fight if it did not wish to surrender to the fascist dictatorship without a struggle. But the fight probably would have been better understood by the broad masses if it had started after an overt fascist coup.

But it is not surprising that the working class, after everything that it had experienced since March 1933 and especially after the threats and provocations of recent days, could no longer marshal the patience to wait. It is not surprising that the workers, especially after the mass arrests and the confiscation of weapons in recent days, were alarmed to have to face the obvious threat of a fascist coup defenceless if they allowed their leaders to be arrested and their arms, intended to defend the constitutional republican order, to be confiscated. When the reactionary capitalist press abroad, to say nothing of the thoroughly controlled (*gleichgeschaltet*) press in Austria, criticises and slanders the Austrian workers, then it is enough to remember that these are the same papers that criticised the German Social Democrats because they allowed themselves to be subjugated by fascism without daring to resist. No doubt, the military power of the state is much superior to that of the workers. A government that

* Ignoring the Party leadership's call for restraint, *Schutzbund* leader and Party Secretary Richard Bernaschek (1888–1945) started the fighting in February 1934. Bernaschek was killed in the Mauthausen concentration camp on 18 April 1945, shortly before Austria's liberation.

does not shy away from destroying the largest and most beautiful buildings with artillery fire may be able to defeat the worker battalions, which are much more poorly equipped, which tend to quickly run out of ammunition, and have no canons, no tanks, and no trench mortars at their disposal.

But the Austrian workers, above all the fighters of the Republican Schutzbund, are freedom-loving men, who will not let themselves be subjugated without a fight. If the hatred of the reactionaries was not so much greater than their respect for manly courage, they themselves would have to show respect for the love of freedom and heroism of the fighters from Vienna and Linz, from Bruck, from Eggenberg, Judenburg, and Kapfenberg as well as Steyr, who, with old rifles in their hands and bullets in their pockets, defended workers' freedom and rights against the enemy's artillery and machine guns.

Otto Bauer, 'Revolution und Konterrevolution in Oesterreich'. Typescript with the notation 'Geschrieben in Bratislava. OB (Februar 1934)' from the Archiv des Vereins für the Geschichte der Arbeiterbewegung, Vienna. Published in *Archiv*, Heft 3/1973 (*Werkausgabe*, 7, 718–23).



The Tactical Lessons of the Austrian Catastrophe (1934)

Austrian Social Democracy had 600,000 members in a country with 6.5 million inhabitants. In all the post-war elections more than forty percent of the Austrian people and almost two-thirds of the population in Vienna voted Social Democratic. The Austrian working class was not divided; the Communists were only an insignificant minority. That such a mighty party could be crushed naturally concerns Socialists in all countries. Understandably they ask whether the tragic catastrophe was due to the party's serious tactical mistakes.

Some believe the catastrophe could have been avoided if Austrian Social Democracy had worked in a timely fashion for a coalition with the bourgeois parties, secured for itself a share of state power, and thereby worked to counter the move toward fascism.

In the framework of a newspaper article one cannot discuss whether such a policy could have been possible and effective at an earlier point in time. What is certain is that it was not possible after 1932. From the moment the *anti-Marxist* boom called forth the rapid rise of National Socialism in Austria, there were no more bourgeois parties prepared to enter into a coalition with Social

Democracy. At a moment in which the Nazis were growing fast, each bourgeois party feared losing its constituents to them if it had formed a coalition with the *Marxists*.

A coalition policy was a plain and simple impossibility since at least 1932. What would have been possible would have been a policy of *toleration*, like the one pursued by the German Social Democrats in relation to the Brüning government.

In the first half of 1932 the Buresch government governed Austria. The Christian Socials and the Agrarian League supported it. The Pan-Germans left the governing coalition and went into opposition after the western powers forced Germany and Austria to drop the planned customs union between the two states. Schober, the spokesman for the Pan-Germans in the cabinet, had to resign under pressure from the French. Therefore the Buresch government no longer had a majority in parliament. A Social Democratic policy of tolerating this government could have hindered its fall and held off the formation of Dollfuß's government consisting of a coalition between the Christian Socials and the fascist Heimwehr.

Austrian Social Democracy did not decide in favour of such a policy of toleration. The German Social Democrats' experience petrified us. We feared that the masses, impoverished by the economic crisis, would flood into the arms of the National Socialists if they alone remained in opposition to the existing system.

Who can determine today whether developments would have gone differently if we had decided *to tolerate* Buresch's government. Through such a policy the party probably would have compromised itself in view of the broad working masses and been significantly weakened. When the anti-Marxist boom hit after Hitler's great victory in Germany in 1933, it would have really been crushed. The *policy of tolerating* Buresch would probably have done as little to prevent the catastrophe as the policy of tolerating Brüning in Germany.

Dollfuß followed Buresch. The Heimwehr sat in the cabinet. The course moved toward fascism. On 7 March, two days after Hitler's great electoral victory in Germany, Dollfuß used a parliamentary dispute as a pretext to shut down the parliament, actually suspend the constitution, and establish an absolutist regime. What now?

Social Democracy knew very well it would be difficult for a general strike to succeed at a time of unprecedented mass and long-term unemployment. Social Democracy knew that since 1848 armed worker uprisings had only succeeded when either the army itself had become revolutionary, as in the last Spanish Revolution, or the army had been disorganised by military defeat, as in the Russian Revolution of 1917. Social Democracy was quite familiar with Friedrich

Engels's classic presentation in his famous 'Foreword' to *The Class Struggles in France*, in which the great revolutionary strategist had argued that already by 1895 the technical development of weaponry had reduced the possibility of revolutionary victory through street fighting. Social Democracy knew how much the development of weaponry since 1895 had increased the fighting power of any disciplined army when facing a proletarian rebellion. Therefore, after the coup of 7 March, Social Democracy did everything it could think of for eleven months to prevent a violent decision.

For eleven months we tried to launch negotiations with Dollfuß and the democratic faction of the Christian Social Party. Time and again we offered our agreement for far-reaching constitutional reforms and to grant the government extraordinary powers for two years in return for which we demanded only the most elementary legal room for manoeuvre for the party and trade unions. But all our efforts failed in the face of Dollfuß's rigid 'no'. The key reason for the failure was that the monarchist aristocrats and generals, the Catholic Church, and the capitalists were determined to fully exploit the wave of anti-Marxism that had resulted from Hitler's victory in Germany against us and were unwilling to compromise. In addition, after the summer of 1933, Italy's dominant influence in Vienna pushed the government toward full fascism and excluded any compromise with us.

We overestimated the possibility of arriving at a peaceful solution because we overestimated the ability of the peasant and the petty bourgeois elements of the Christian Social Party to resist the influence of the fascist inclined aristocrats and generals and we overestimated France's ability to counter Italy's influence in Vienna.

During the eleven months in which we worked to straighten things out peacefully, the government strengthened its military forces considerably and the Heimwehr was armed. In contrast, broad layers of the working class, especially the railroad workers worn down by government pressure, became discouraged and unable to fight. Had we acted sooner, our action would have been bigger, more general, and the outlook for victory more favourable.

Therefore, if we made a mistake, then it was that we sought a peaceful solution for too long and put off the decisive struggle for too long. We need not be ashamed about this mistake. We made it because we wanted to spare the country and the working class the disaster of a bloody civil war and because, unless it was absolutely necessary, we did not want to make the fate of the working class dependent upon the results of a violent struggle whose success was not assured from early on.

Despite the severe disadvantages that resulted from waiting so long, it also had a big advantage. In Austria today every thinking and decent person knows

that, in spite of all the government's lies, we did not take up arms lightly, that we worked for eleven months to achieve a peaceful solution, and that we did not fight until the time came when the government gave us no other choice than to fight or surrender ignominiously. This knowledge portends a powerful moral justification that can achieve substantial importance for the re-emergence of Social Democracy. We would not have had this advantage if we had acted earlier, when the lack of choice was not so obvious.

Or, knowing the terrible dangers of such a struggle, should we not have taken action and just capitulated to the fascists, as occurred in Germany? In February, when the government announced the abolition of universal suffrage, workers' rights to organise and to assemble, and the creation of an essentially fascist constitution; when armed Heimwehr units demanded the removal of constitutional state governments and the transfer of state administration to fascist agents; while, simultaneously, Fey had local leaders of the Republican Schutzbund arrested and its arms seized – it was simply impossible to stop the armed elite of the working class from daring a last desperate effort to save freedom. Since the revolution of 1918 Austria's workers have possessed weapons. They have never misused them and for 15 years let them lay hidden. For 15 years the party had taught that these weapons should only be used in case of a fascist attack on freedom. Now the moment had come. No power in the world could have stopped the working class's armed elite from exercising its will not to surrender disgracefully, but to show the world how freedom-loving men defend themselves against those who want to enslave them. The men of the Republican Schutzbund have done that. They were defeated by the technical superiority of the army, but the heroism of their last fight will bear fruit.

Otto Bauer, 'Taktische Lehren der österreichischen Katastrophe', *Internationale Information* 11/1934, Zurich, 8 March 1934 (*Werkausgabe*, 7, 724–8).

Rudolf Hilferding

Leaving the Government (1930)

Ever since the revolution Social Democratic participation in the government has been under pressure from two sides: the claim of democracy and parliamentarianism on the one hand and the implementation of the only possible foreign policy on the other. The pressure was so great that, since 1918, Social Democracy has consistently taken an affirmative position on these fundamental questions regardless of whether or not it was in government or in the opposition.

Naturally, these compelling moments do not exhaust the reasons for participating in government. Under German conditions, the creation of a reliable republican administration is not possible without Social Democratic participation in the government and this circumstance resolved the question of participation in state governments in a positive sense. Finally, participation in government means implementing more easily the specific demands of the working class and above all it makes it easier to hinder damaging measures.

Still, Social Democracy's domestic political situation is a difficult one, more difficult than in most other countries. Though the Revolution of 1918 was unable to realise purely socialist measures, the decree of the People's Commissars of November 1918 had decisively pushed social reform into the foreground. Everything that has occurred thereafter was essentially the implementation and supplementation of those earlier provisions. But precisely this undeniable great progress achieved by German social policy has made the bourgeois parties socially conservative or reactionary and hindered Social Democracy's social and political work. This has thereby narrowed its specific field of activity and made the achievement of additional socio-political gains more difficult, especially when economic depression and financial constraints incite bourgeois strata against the steadily increasing costs of social policy. Social Democracy was, however, in the Reich government – and this was no accident – just at those moments of the worst economic pressure. It was social policy that brought down the coalition governments at the Reich level in 1923, as a result of the attack on the eight-hour day, and in 1930 over the issue of unemployment insurance.

The eight-hour day, unemployment insurance, the arbitration system, and binding arbitration are the decisive advances made by post-war social reform. Social policy before the war – [dealing with] the protection of women and children as well as insurance – as important as it was, was essentially charitable

social policy that served the weak, the sick, and the old. The social measures named above, however, serve to strengthen the power of workers in the production process. They invigorate the working class in struggle, as well as the efforts of the trade unions, and they are an element of *social control over the labour market*. Working time and wages are now part of the content of politics.

It is no wonder that the preservation of these measures is felt to be the most important task of Social Democratic politics and that the Reichstag delegation is duty bound to fend off attacks on these achievements by using any means at its disposal. There can be no disagreement about that, and from the outset the delegation's effort to use even the most extreme defensive means can be psychologically explained and subjectively justified. A political critique can only ask whether precisely this defensive means – leaving the coalition – was the politically correct one for the preservation of Social Democracy's position of power.

The unemployment insurance question was put forward as an issue eliminating the deficit at the Unemployment Agency. The fight was about the nature of this action and Social Democracy had to fend off all efforts that aimed to reduce benefits. On the other hand it also had to demand an end to the deficit, because otherwise the task of stabilising the finances would remain unresolved. The struggle over the financial reform itself was made extraordinarily more difficult by Schacht's demand – in a single year and, moreover, in a year of deep economic depression – to use 450 million [marks] from current income to cover floating debts.* This was a demand made even more burdensome when the Finance Ministry had made available an additional 160 million marks to cover the deficits of the states. Because of the unexpectedly high subsidies from the Reich, the financial situation worsened at the expense of the unemployment insurance system. The hope that after making it through the difficult winter the extraordinary [level] of unemployment would fall, proved illusory. The winter of 1929–30 increased the number of unemployed above that of the previous year.

The struggle over unemployment insurance was fought very sharply in the summer of 1929. It will remain one of Social Democracy's most important successes that it was able to end the fight in the autumn of 1929 without any

* Hjalmar Schacht (1877–1970) was a leading Weimar banker and politician. A founding member of the left-liberal German Democratic Party in 1918, he abandoned it in 1926 and drifted to the far right, eventually supporting Hitler's appointment to the Chancellorship. Named President of the Reichsbank in 1923, in 1929 he successfully blocked Hilferding's efforts as Finance Minister to procure a major foreign loan and precipitated the latter's resignation in December 1929.

major damage to the insurance programme, and there can be no doubt that this victorious outcome would not have been possible without [Social Democratic] participation in the government. Of course, among all the participants the fight bequeathed a feeling of dissatisfaction or mistrust. And the mistrust of Social Democracy had to increase enormously as soon as a new call for reform arose in the face of rising unemployment and the subsequent increase in new subsidies, [a call] which found an extraordinarily strong echo as a result of the depression and financial crisis.

Nevertheless, even now it appeared that a solution could be found that was acceptable to all the partners. The cabinet had linked together the reform of the finances and the stabilisation of the insurance system. Social Democracy was prepared, like the other government parties, to accept the financial package exactly because it was bound up with the insurance reform. Next to a contingency fund of 50 million marks, the unemployment insurance system was to receive a subsidy of [another] 150 million. Moreover, the administrative council of the agency, if its administrative measures, which should not reduce benefits, fail to achieve its goal, should then carry out an increase in contributions from 3.5 to 4 percent. This decision required a majority of both capitalist and worker organisations. The Reich's loan obligations were preserved. Changes to benefits could only have occurred through legislation. If the agency could not arrive at such a decision, the responsibility for raising the level of contributions fell to the cabinet. An increase in the contribution to four percent would have been enough to cover the 70 million marks which had not been made available in the budget for 1930. Social Democracy accepted this solution and supported the cabinet. The solution ran into the opposition of the German People's Party, however, and in order to overcome it, Dr. Brüning proposed a compromise. It essentially consisted of postponing the final decision. The contingency fund and the subsidies remained intact. The contribution of 3.5 percent, which it initially had been decided would last though June, would have been extended for the budget year. However, the Reich government was to propose a law immediately that would make it possible to pay back debt obligations beyond the government's subsidy through increases in contributions or through a reform of the law that created a balance of income and expenditure or provided the necessary means to cover the Reich's loan obligations.

There is no doubt that the government proposal was better than the compromise. It provided the means of stabilisation, an increase in contributions, and the stabilisation would have quickly followed. It is true that the solution might have been a provisional one. If unemployment remained at an exorbitant level, in the long run the increase in the level of contributions would be inadequate and the problem would repeat itself in 1931. Apart from this latter

worry, however, the compromise proposal, in contrast to that of the government, names three ways – an increased level of contributions, reform (meaning a reduction of benefits), and increased taxes – that in a purely theoretical sense could be taken towards stabilisation. It must be noted in that regard that even according to the government's proposal the agency would have to have made reform recommendations to the government. The compromise initially put off the decision and left the solution open. Politically, it seems to us that the difference is small. According to the government proposal, the first decision on increasing the contribution rested with the agency's administrative council. It is improbable that the business associations would have approved of the increase. But it may be doubted that a consequent decision by the cabinet would not have encountered renewed opposition by the People's Party. A renewed clash could scarcely have been avoided. This much was clear, however. Once the Centre had made the recommendation, the People's Party would not go beyond it and the Centre itself would not let it drop. Thus the issue of the government's survival was raised.

The Social Democratic delegation rejected the compromise. The majority was influenced by the consideration that the compromise again postponed the stabilisation that the increase in contributions was to make possible. The authorisation of the indirect taxes in the financial package was granted, however, to ensure not only the stabilisation of the budget but also of the unemployment insurance system. In addition there was the fear that agreeing to the compromise could be viewed as agreeing to the three alternatives it foresaw. These could amount to a reduction in benefits and, psychologically, this was perhaps the decisive argument. In any case, in the majority's opinion, after agreeing [to the compromise] a reduction of benefits in the autumn was unstoppable.

This argumentation does not seem convincing to us. The struggle over unemployment insurance a year ago showed that a reduction in benefits also causes great difficulties for the Centre. It is in no way certain that the Centre would have been able to alter its position after accepting the compromise if Social Democracy had maintained its veto of a reduction in benefits, which was not open to doubt or subject to hindrance. But it is certain that leaving the government and the formation of a cabinet strongly dependent on the right did not make the defence [of the insurance programme] easier. Questioning the coalition, the suggestion of which would not have been necessary on the part of the Social Democratic ministers in the face of a new attempt at reducing benefits, in any case would have made Social Democracy's position much stronger than it is now with the Centre falling into dependence on precisely the most ardent opponents of the unemployment insurance programme. The Centre could not pay the price of blowing up the government only for the purpose of making

the unemployment insurance programme worse without making [relations] with its trade unions impossible. Leaving the government brought the Centre no advantage precisely from the standpoint of securing the programme. The fear that matters will still get worse in the autumn does not seem adequate for such a grave step; it is not good to commit suicide out of fear of death.

However, as important as the issue of unemployment insurance is, the decision of the [Reichstag] delegation must be examined from the aspect of the general political situation in which it occurred. It is certainly correct that today the republic is scarcely threatened with its violent overthrow. That is not the danger here. That does not mean the future of German parliamentarianism and democracy cannot be threatened in other ways. The German constitution exhibits a contradictory character. Hugo Preuß thought he would be able to link certain advantages of the parliamentary constitution with those of the American system by including a president elected by the people who is simultaneously head of the government and of the administration. So next to the government installed by parliament stands a Reich President with far-reaching powers, which are not clearly laid down in law and therefore are open to interpretation. But more important for a constitution than wording and interpretation is actual political development. And there can be no doubt that if a parliament fails to carry out its most fundamental and important function of forming a government, the functions and power of the President expand at the Reichstag's expense. If one also considers that very strong groups desire and support the paralysis of parliament, then one understands that the real danger for the future of the German parliamentary system does not come from the outside carried out by a violent coup, but rather from within. Ajax dies by his own strength. In order to avoid precisely this danger, it was consistently compulsory for Social Democracy to take responsibility in the most difficult and harmful situations.

And that was the situation when the delegation made its decision. Under Hugenberg's leadership, the German Nationals' outlook is expressly anti-parliamentarian and aims to destroy the system. The end of the coalition meant it would be virtually impossible to form a purely parliamentary government in the Reichstag. And in fact it has brought to power Brüning's antiparliamentary government. Not in the sense that it wants to eliminate parliament and the parliamentary system under any circumstances. But the situation is such that it has worked without and against parliament. It was not established based on a parliamentary majority, but was formed rather based on the desire of the Reich President for the implementation of certain measures without parliament. It not only had the right to dissolve itself – a right inherent to parliamentary systems – but also had the right to use Article 48, which in this case functions

in place of a law initiating taxation, a fundamental right of every parliament. The two decisive rights upon which the parliamentary system rests, the right to recall a government using a vote of no confidence and the right to control the budget, were set aside. That ultimately an accidental parliamentary majority of four votes turned up and thereby brought the use of Article 48 to a halt was just an accident, though one of historical significance. It saved German parliamentarianism from a severe crisis the future consequences of which no one could foresee. This is because if Article 48 brought about the introduction of new taxes and perhaps of new tariffs it would mean a long-term weakening of parliamentary power. Indeed, when it comes to Article 48, one knows how the matter begins, but not how it moves forward and ends. That help came to German politics through an accidental vote does not change the fact that such politics marks a ride over the Bodensee.* But a tactic that fails to exclude such risk and, via a special decision, loses sight of the general situation, is not a good one. And with such a new constitution, which one cannot claim has the enthusiastic and self-sacrificial support of the whole nation, it is essential not to allow the creation of a tradition that threatens its basic democratic and parliamentary character.

The antiparliamentary character of the current government allows room for yet another consideration. The normal parliamentary mechanism for bringing down a government is a vote of no confidence. But that means breaks down when facing a non-parliamentary government. The acceptance of a vote of no confidence only gives such a government free rein. Parliament is dissolved and Article 48 is used. If the situation is not such that the overthrow of the government by extra-parliamentary means of opposition or as the result of new elections is certain, then the vote of no confidence not only fails, but also becomes harmful. For then it is in the interest of the opposition to lead the struggle on the terrain of parliament, to bring out the internal contradictions of the government, and to then bring the government down when the opportunity arises without providing it with the opportunity to make use of its extra-parliamentary means.

It can be admitted that psychologically, the Social Democratic delegation, after rejecting the compromise and withdrawing from the coalition, could

* The phrase 'A ride over the Bodensee' is taken from a ballad by that name written in 1828 by Gustav Schwab. It refers to a rider who intends to reach the shores of Lake Constance (The Bodensee in German) and take the ferry across. He arrives, however, in dead of winter and crosses the flat, frozen, snow-covered lake on horseback without realising it. Here Hilferding uses the phrase to refer to taking a bold action without actually being aware of the danger until after the fact.

not avoid calling for a vote of no confidence. But that does not make the principle point superfluous: in a situation in which a government has extra-parliamentary means at its disposal and is committed to their use the struggle cannot be carried out according to simple rules of parliamentary business. One must avoid becoming the latter's prisoner.

It is clear that these critical positions in no way include excusing the other coalition parties. Even if one does not assess the difference between the government's proposal and the compromise all too highly, the responsibility of the parties who rejected the government proposal remains especially great. They have caused a crisis at a time in which both the condition of the economy and the general political situation required them to categorically avoid such an action. They did it without the certainty of avoiding severe shocks and costly solutions.

However, the critique of the facts will have a stronger impact than these tactical reflections, which are only brought forward *out of the duty to secure the prerogative of general political considerations for the future above important decisions on individual questions*. And the facts here have spoken for themselves. The new government has had to reduce its claim to leadership very quickly. It was – if, from the outset, it did not want to function as a purely anti-parliamentary government dependent on Article 48 – forced to quickly make concessions to individual groups, concessions that were expensive, weakened the tax programme, and endangered a rational economic and trade policy. On the one hand they have proved that a government that slips into dependence on particular interest groups in the long run creates much more difficult burdens for the economy and finances. On the other hand they have shown that working-class participation in the government allows some things to get done and hinders even more things from occurring than is the case in the opposition. And we stand only at the beginning and not at the end of this experience.

Politically, however, the decisive thing is the position of power, which, if not the German Nationals' delegation,* then the interest and power groups they represent, have suddenly assumed. Brüning's government is credited with having split the German Nationals. Developments will show if this is really true. What is certain is that, at the moment, this split is neither in the Social Democratic interest nor is it in the political interest of the state. The strong Social Democratic position in this Reichstag rests precisely on the self-exclusion of the German Nationals and it was not the aim of Social Democratic tactics to weaken their position. But from the perspective of the state, as well, the

* The reference here is to the reactionary German National People's Party (DNVP).

situation is in no way a happy one. It can be conceded that the possibility of alternative governments, alternating between right and left, can be useful for the smooth running of a parliamentary system. But that presumes the acceptance of the fundamentals of the system, the recognition of the republic and of parliamentarianism. It is precisely this recognition that the German Nationals reject and thereby exclude themselves from participation in the government. The interests the DNVP represents, both agrarian and industrialist, and also the interest in participating in administration, will not suffer this self-exclusion for the long term.

From the beginning, the conflict between these interests and the anti-parliamentary monarchist ideology shook the framework of this party, and it was Hugenberg's accomplishment to have driven the conflict to a head. If one had allowed the conflict to mature, it would have ended with the transformation of the German National People's Party into a conservative group. Now one has given the party the chance to realise its interests in the fullest measure without having to capitulate to its ideology. If Westarp finally is victorious over Hugenberg, then he wins as a monarchist and antiparliamentarian and the political benefit to the state is lost.*

The Brüning government appeared as a strong one as long as it disposed over the power to dissolve the Reichstag and to use Article 48. The pliability of the Reichstag, or, if you want, its rape, has at the same time sapped the government's power. There is scarcely another possible use of Article 48 that could be allowed even with the broadest interpretation of the constitution. Dissolution is, from the political perspective of the state, not rational in the current situation, but, on the other hand, because it no longer includes extra-parliamentary solutions, it is of secondary importance. The Brüning government is a weak government and that is precisely why it is dependent on every individual group. Only the addition of the German Nationals would make the government really viable. Whether the latter enters the government will be shown by the outcome of the conflicts among the German Nationals. Only then will the current government parties, particularly the Centre, face the ultimate political decision.

* Count Kuno von Westarp (1864–1945) was a long-time government official and conservative politician. In 1918 he was a co-founder of the ultra conservative and monarchist German National People's Party and was a delegate to the Reichstag from 1920–32. As the leader of the Reichstag delegation (1925–9) and as Party Chairman (1926–8) he represented a moderate conservative current but was driven out of the leadership by anti-parliamentarian, radical nationalist newspaper magnate and party leader Alfred Hugenberg (1865–1951). As Hilferding alludes to here, Westarp attempted to compete with Hugenberg's DNVP by founding a new conservative party in 1930. The effort failed.

It will be harder than that of Social Democracy, for which opposition to this government has become the only possible position.

Rudolf Hilferding, 'Der Austritt aus der Regierung' 1930, *Die Gesellschaft*, 7 (1): 385–92.



In the Danger Zone (1930)

It is essential to recognise the seriousness of the situation without illusions and without attempting to deceive others and above all ourselves about the dangers that threaten and the pressure they place upon us to defend democracy.

Since Social Democracy entered the government in June 1928, there has occurred an increasingly rapid transformation of subjective views and objective layers of power, initially outside of parliament. At that time, a large part of the bourgeoisie also accepted the inclusion of Social Democracy in the government as a necessity. Bourgeois government had proven to be quite costly. Expenditures were rising and social policy, due to Social Democratic pressure from the opposition, had been expanded further. The extension of government responsibility to Social Democracy would end the rivalry between the Christian and free trade unions; the new government would face an empty treasury and thus have to submit to the requirements of financial imperatives; and the direction of foreign policy would require Social Democratic support. A stable government required the formation of a great coalition, which guaranteed the necessary security against 'socialist experiments'. Any other *parliamentary* government, however, and that is the decisive thing, appeared to be politically impossible at that time.

The economic crisis caused a complete collapse after 1928. By looking at the history of crises in England, one can study how economic crises of earlier periods radicalise the masses and have progressive effects. In the nineteenth century, the first great political and social reforms arose under the pressure of mass movements unleashed by the crises. That changed with the organisation of the working class and growing influence of the trade unions. Unemployment weakens the unions' fighting ability; the longer it lasts, the greater becomes the pressure of the industrial reserve army of the unemployed on those still in work; the working class is driven onto the defensive, while the capitalists' willingness and readiness to attack increases. The trade unions' difficult situation then has effects on the political outlook of the working class. While the

unorganised working class of earlier times grew stronger during crises, it is in the period of organisation, of organised economic and political struggles, the phase of greatest prosperity, in which the working class displays its strongest offensive power and achieves its successes.

Since the war, conditions have again changed, at least in Germany. War and inflation have driven millions of formerly independent people to seek gainful employment, completely declassed [others], and lowered the living standard of many more. There are strata filled with bitterness that, devoid of trade union schooling and caught between their old petty bourgeois notions and ideals and their new economic situation, are seeking a way out. They want fast and immediate salvation. The methodical, tough struggle of the organised working class is not their way. Their poverty came as a result of the state's collapse. Democracy did not restore their social station, so a new revolution is necessary. The Third Reich, which they will found and dominate, will be their salvation. Children, women, and the desperate are happy to hear it.

Today the state occupies a wholly different position in the economy. Taxes comprise more than a quarter of the national income and through social policy and arbitration it intervenes in the labour contract in hitherto unknown ways. In a manner completely different than before, it appears to be immediately responsible for the shape of the economy and for the fate of every individual. Economic crisis no longer appears as an economically determined, periodic phenomenon associated with capitalist development. It is rather much more a failure of the state, of politics. One must take control of the state to fundamentally change policy and drive out the old parties in order to save the people and eliminate poverty. Democracy has raised the sense of power of these strata. As beneficiaries of democracy, which gives them political power, they turn against the democratic state.

The economic crisis hit Germany at a moment in which consumer reserves, annihilated by the inflation, had not yet been adequately replaced. The industrial crisis coincided with an agricultural crisis, which radicalised the rural population and increased the following of the radical redeemers in otherwise conservative and tradition-bound circles.

The tendency, inherent to the crisis, to make the struggle of workers' organisations more difficult, continues, but at the same time that crisis creates additional radical mass movements next to and outside of the organised ones.

No less significant is the political-psychological change which the crisis calls forth at the heights of capitalist society. The crisis threatens profitability all the more so as the high tax rate reduces the profit margin. But it is precisely the crisis that increases the tax burden due to the suddenly rising expenditures for unemployment insurance. Reducing the tax burden, which presumes

the reduction of social outlays, should restore profitability. The reduction of social spending should be achieved by lowering wages, and the resistance of a democratic government, which can intervene against wage reductions by means of arbitration, must be broken. In times of crisis, Social Democracy's participation in government becomes ever more unbearable to capital.

Social Democracy advocates democracy because it knows it must imbue it with social content. In progressive industrial states democracy and social reform are one and the theoretical division between political form and social content is a bloodless abstraction. On the other hand, the struggle to limit social policy and especially the struggle against its branches directly controlling the labour market, unemployment insurance, and arbitration, has increased the hostility to democracy and against the democratic parliament. If in 1928 parliamentary politics was a given, the outlook toward parliament has now changed to one of open hostility. Order at any price, saving the finances, turning away from the established system, a strong government receiving its direction from the 'economy', and implementing them, if need be, without or against parliament, is becoming the solution of the economically most influential strata.

This reversal at the top and at the bottom of the society has decided the fate of the Reichstag, of the great coalition. It determined the position of the German People's Party toward Hermann Müller's government and caused the fall of the only possible parliamentary government. It has misled the Brüning government to adopt a policy that began with the rape of parliament and ends with its destruction. It has brought the right-wing groups of the governmental parties to thwart all attempts to solve the parliamentary crisis with parliamentary means and, because the aim of its policy was the exclusion of Social Democracy during the economic crisis, it blocked any serious negotiations with Social Democracy that could lead to a way out of the dead end. If the parliament eventually goes to pieces, then that is even better. They erred on only one thing: like everyone else they underestimated reversal.

That the dissolution [of the Reichstag] would have fateful effects was nevertheless clear, but they were fateful only from the standpoint of those who wanted to preserve the constitution and the parliament under any circumstances. But for the others a strengthening of the Communists and of the National Socialists meant the desired weakening of Social Democracy, and a reduction in the ability of a future Reichstag to do its work meant the renewed opportunity to shut the Reichstag down and, using what from the beginning has been an extraordinarily broad interpretation of Article 48, carrying out what they regard as necessary for the salvation of the economy and the state.

The outcome of the election exceeded the very worst expectations. The growth of a small group into such a strong party in just two years is without precedent in the history of parliaments. It far exceeds the growth of the socialist parties in the elections to the National Assembly in spite of the outcome of the war and of the revolution. That this growth came as a complete surprise points to the lack of trust among broad sectors of the population in their political leaders. In the large electoral districts the connection between the voters and their representatives has greatly loosened and the canvassing of individual voters too difficult. In relatively small English and French electoral districts such unexpected changes occurring behind the backs of the politicians are much less conceivable – a point of view that should be considered in any future electoral reform.

Now, indeed, everything happened in order to use politics to strengthen the radicalisation precipitated by the crisis. The struggle over social politics had upset wage earners most strongly. The inclusion of government officials in the emergency levy, unsocial as it was, had also embittered this large and influential group. The social upheaval was increased by the announcements of wage reductions and employee layoffs precisely at the time of the election.

In addition there was the type of agitation used by the bourgeois parties. In order to justify the exclusion of Social Democracy and to insure it in the next Reichstag, the bourgeois parties announced the failure of all earlier governments and, rather than calling for particular concrete actions among which the voters could clearly differentiate, they called for a break with the past, a new era, in order to save a Germany standing at the edge of the abyss. In Germany after 1918, in spite of the most difficult circumstances, enormous constructive work was accomplished in both domestic and foreign affairs. But instead of stressing the positive, the bourgeois parties united in fomenting a spirit of despair, which in the end must work against them. This is because they were themselves supporters of the governments that supposedly failed so badly. If they are now calling for salvation, they are then indicting themselves. The response of the voters could only be the call for new saviours. And the new saviours are standing at the door.

The National Socialists are a people's party (*Sammelpartei*). Their following ranges at the moment from generals, princes, counts, large landowners, entrepreneurs, members of the middle classes, of the peasantry, and of officialdom to workers and declassed people – members of all classes. In this Germany of differences among the classes, this transcendence of divisive obstacles is no small feat. At the same time, the participation of the counts, generals, industrialists, and agrarians offers a certain guarantee to the bourgeois strata for the behaviour of the mass following, as soon as the party has to exercise power. To

them, the essence of the National Socialists appears to be their hostility toward Social Democracy and to the democratic parliament, not the confused pseudo-socialist programme.

Thus the anti-democratic and the anti-parliamentary efforts among the entrepreneurs and the agrarians are united with the tendencies of this party, which so suddenly became a factor of parliamentary and extra-parliamentary power. It appears as a tool, furnished by the masses, to be led in the struggle by the anti-parliamentary strata of big capital and the large landlords, and should paralyse the struggle of the democratic masses.

It is the unification of these currents that makes the situation for democracy threatening. This is because the temptation to create a right-wing government against Social Democracy, to maintain it against the parliament, and, as the economic crisis continues, to use it to pursue reactionary goals at great cost, is too attractive to prevent a portion of the bourgeois parties from daring the big gamble, especially when considering the impact abroad, which for them means the entrance of National Socialists into the government.

The expectation that the growth of the National Socialists will lead to a block in defence of parliament, to a coalition of the reasonable, has initially proven to be illusory. At the moment, the coalition of the reasonable does not have a majority in the Reichstag. The hope of the government for a right loyal to the state came to nothing. Those who split from Hugenberg's party seek to draw closer to it [the government] and to the National Socialists, and the People's Party and the Economy Party also are attempting to remain in its entourage. The constitutional parties – Social Democracy, the Centre, and the State Party – are in the minority even if one adds the Bavarian People's Party to their number. The majority of the parliament is against the parliament and only its internal divisions make it unable to function in parliament. But that would change as soon as the desire of groups on the right to form a government with the National Socialists and Hugenberg became a reality. The attempt really cannot be judged according to the rules of the parliamentary game. The inclusion of the National Socialists in the government would mean for them only the opportunity to expand their power, the possibility of gaining control over the state and of penetrating the army and the police. It is an illusion to think that the bourgeois parties allied to them by their hostility to parliament and democracy would want to or could hinder them. In any case, once formed, such a government would be difficult to remove by parliament.

The decision over the political direction [of the country] is in the hands of the Centre, without which a rightist government also has no majority. But the Centre is in a difficult situation. As was true before parliament's dissolution, its former governmental partners want no understanding with Social

Democracy. They declare its participation in government to be unbearable. But they also don't desire an understanding on carrying out the most pressing political tasks in a parliamentary manner. If, in the face of the Centre's rejection, they cannot form a government of the right, the [caretaker] government might attempt to pressure parliament anew or solve any resulting conflict by extra-parliamentary means. One way or the other they achieve their end if the understanding with Social Democracy is thwarted.

On the other hand it is very difficult for the Centre to cut a deal with the National Socialists. Apart from all other factors, in a government with the National Socialists the Centre would be rapidly pushed aside from its already weakened position. It would merely be an element tolerated within the government until the right's position was secure enough for it to dispense with the Centre altogether. Thus the Centre will attempt to affirm the parliamentary basis [of the government], but that is only achievable through an understanding with Social Democracy. To achieve that end, the Centre will do everything to unite its other former government partners on this basis and to maintain parliament.

But here we are not talking about negotiations to form a government carried out in the usual way upon a parliamentary basis and with Social Democracy's participation required. As a result of the outcome of the elections, the Centre has lost its freedom of movement to a large degree. In the old Reichstag, at least with the inclusion of the Bavarian People's Party, it could at least theoretically still construct the Weimar Coalition without the German People's Party. Now a government requires not only the German People's Party but also the Economy Party, two groups that are at a minimum apathetic about the preservation of parliament, but that also are more hostile toward Social Democracy than ever before. The Centre is dependent on these groups. Room for negotiation is minimal. Its content must aim first of all to preserve parliament. In this phase of the economic and political crisis, this postulate *counts more than all special demands*.

One thing can be said with absolute certainty: if preserving parliament does not succeed, then the preservation and later expansion of social policy is also less likely to succeed, because social policy and democracy are one. In contrast: successfully securing the function of the Reichstag makes it possible to defend against social decline as long as the National Socialists don't desert to the camp of the open social reactionaries, something they scarcely can dare at the moment.

For Social Democracy, supporting a centrist government that has moved so far to the right is a very costly task. It is only understandable as a necessary defence of democracy in a parliament with an anti-parliamentary majority and

in an extra-parliamentary situation in which the economic crisis has mobilised not only capital, but also broad masses to fight against parliament. But even in this situation there is a certain limit for Social Democracy. Even in this electoral storm of all against Social Democracy, the party has proven itself as the firm bulwark against the destructive radicalism of the left and the right. One cannot expect that Social Democracy can pursue any policy that destroys this bulwark and knocks down the strongest barrier against civil war and counterrevolution. This understanding must be available on the opposing side, if an agreement for the securing of parliament is to come about.

If this agreement succeeds, if securing parliament is successful, then the overcoming of the political crisis is to be expected. And the pressure to overcome it will make itself stronger every day. The politics of salvation have brought about remarkable results: capital flight has set in more strongly, foreign states are becoming more uncertain, short-term loans are being recalled, long-term credit, for the moment, is unthinkable, the economic crisis has deepened. And the great reforms? The Reich government wanted an Enabling Law to carry them out, but that was not possible in this Reichstag. Does it believe that it can complete the reform of the Reich with the Bavarian People's Party, the financial reform with the Economy Party, and a possible trade treaty with the Landvolk?*

And the execution of foreign policy since the election has not become any easier for the Chancellor and his Foreign Minister. If parliament is successfully preserved, the Reichstag will face the most pressing concrete tasks and perhaps that pressure will lead more quickly to a coalition of the reasonable. It would thus gain time until the ebbing of the economic crisis also helps overcome the crisis of the state. If the effort fails, then we stand at the beginning of struggles whose trajectory and outcome are uncertain and whose sacrifice of the [public] welfare is unforeseeable, but sure.

Rudolf Hilferding, 'In der Gefahrenzone' 1930, *Die Gesellschaft*, 7 (1): 289–97.



* The Landvolk was the name applied to the Christlich-Nationale Bauern- und Landvolkpartei (the Christian National Peasant and Rural People's Party or CNBL). A splinter group from the DNVP, it had the support largely of smallholders and won nine seats in the Reichstag in 1930.

Social Control or Private Control over the Economy (1931)

Esteemed Delegates! We all have the sense of being the object, the witness, and also the shaper of a great destiny. In the situation in which this congress is meeting, our task must be to give an accounting of the historical situation in which we now find ourselves in order to draw upon this analysis and put forward immediate demands. Allow me briefly to describe the *historical development* that capitalism recently has experienced.

With the founding of the German Reich in 1870, the period of bourgeois revolutions and of civil wars for the creation of national states was at an end. The period that followed is characterised, first of all, by an economic situation that began, after a short boom, with the large-scale agrarian revolution overseas resulting in an acute agricultural depression across Europe. It also impacted industry and brought about a long-lasting depression that only ended in the nineties. The national states are formed, the domination of bourgeois classes is stabilised, and state power becomes ever stronger in service of capital's economic interests.

During this period of gradually progressing industrialisation in the European states an extraordinary structural change occurs in European capitalism.

The rise of the joint-stock company is an epoch-making development. In principal, the joint-stock company marks the separation of the firm from the private property of the individual capitalist. With English industry already much more advanced, after the founding of the German Empire in 1870 German industry had to build itself up on the basis of the highest level of technical and organisational development, [but] the fragmented capital of the individual capitalists was not enough to create such large-scale enterprises. The joint-stock company provided the freedom to turn to the whole of circulating capital, to the money capital available at the moment to society, and thus make enterprises independent of the proportion of private property in the hands of individuals. This independence allows a country embarking late on its capitalist development and suffering from a shortage of money capital to immediately equip a capitalist firm at the most advanced technical and organisational level and, thus, make it fully competitive. Secondly, the joint-stock company also makes it possible for those tendencies toward concentration, which arise due to technical development and which even more intensively create agglomerations of capital, to occur independently of the wealth of the individual. Thus the development of the joint-stock company marks an extraordinary acceleration of capitalism's inherent tendency toward economic concentration.

In connection with this economic concentration in general and with its specific form as a joint-stock company is the change in the credit system. The

individual small banker from the earlier period of economic development is, indeed, able to provide credit to a middle-sized or small industrial enterprise, but the joint-stock company from the outset requires big banks which raise, accumulate, and concentrate all available money capital and can place it at the disposal of large-scale firms. Initially, it is placed at their disposal by means of credit; thereby development occurs in such a way that not only can operating credit be granted directly to the firm, such as credit for the purchase of raw materials or the payment of wages, i.e., credit, which can be paid back after a time following the sale of commodities, but also that the *granting of credit can be broadened*. Now *investment credit* can be provided which serves to purchase new machines, throw up new buildings, in a word to provide fixed capital and secure to the firm the large stock of means of production required by the modern capitalist big business. This investment credit does not come back immediately through the sale of individual goods, but only after a long period of operation as machinery gradually wears down. Through this process the costs of the machinery gradually flow back to the firm. Thus it is long-term credits which from the outset extraordinarily raise the banks' interest in the firm – credits which in principle represent a type of *bank participation in industry*, a participation whose length depends upon whether it becomes possible to withdraw them at a favourable moment in the capital market as *new shares* are offered. But these new shares are made available to the public through the mediation of the banks and the procedures of the firm. It depends upon the use of credit, firstly, whether the offering of shares is possible, and secondly, whether the shares can be sold to the public at a price that is higher than average (*Überpreis*), which can be divided up between the industrial company and the banks, and which thus constitutes a substantial portion of the profits earned by the banks through stock offerings.

Thus the relationship of the banks and industry becomes ever closer and longer lasting. As a result of that, all of the countries that embarked upon capitalist development later on, like Germany and the United States, exhibited tendencies which led to ever closer ties between these big banks, which are at the same time financial banks, and industry.

These relations become further intertwined at the moment in which economic concentration has advanced so far that the *character of capitalist competition changes*. The essence of capitalist competition in early capitalism consisted of the reality that one big capitalist destroyed many small ones. That led to ever-greater technical concentration, but at the same time to the ever-stronger concentration of property. When this process, especially in the main branches of production, has been underway for a time, there are often in the decisive branches of the economy all too few large enterprises with plants in

which a great deal of fixed capital, a large amount of long-lasting means of production, has been invested. The competitive struggle of these large firms is naturally a longer and more costly one than that of early artisans and individual capitalists. That means, however, that *capitalist competition*, once the basic principle of the whole capitalist system of production, *is no longer carried out* by its own representatives. Because the capitalist struggle is so costly, the question arises of whether the *organisation of the branches of production*, an arrangement among the former competitors, can replace capitalist competition. And this arrangement results when the individual large firms can agree about their share of the market, an agreement that becomes visible with the formation of large capitalist monopolies and the establishment of cartels and trusts. The former competitors eliminate the competition in order to jointly arrive at fixed prices and to secure the conditions for the delivery of a certain portion of their production for the market.

This tendency, which emerges out of capitalist competition itself, is enormously encouraged by the banking interest once it has exceeded a certain level. The banks have provided a large number of enterprises with their capital and they have an interest in old shares having an appropriate value and in the issuance of new shares. From the outset, therefore, they are opposed to a reciprocally destructive competition that could endanger their customers, endanger their credit, and limit the possibilities for business. Thus, these tendencies, which emerge from capitalist industry, are enormously strengthened by the banks. It is they who under certain circumstances place the greatest pressure on the firms to which they have given large credits and which are, as a result, dependent on them to a certain degree to end the competition and organise themselves into cartels and trusts.

On the one side the *concentration of the banks* increases because the banks are forced to constantly increase the power of the capital at their disposal if they are to be strong enough to meet the demands of these large firms. Therefore, as the influence of the banks increases, so does the *reciprocal interaction between bank and industrial interests*. We are thus approaching a condition in which all of society's money capital is increasingly concentrated by the banks. The banks dispose over the money capital available for social reinvestment. It is they who place this money capital at the disposal of large industry and above all the industries organised into cartels and trusts. It is this capitalist development that I have defined as *finance capital*, capital under bank control and used by industry. We can also characterise this level of development as the beginning of *organised capitalism*. Today a large number of independent private capitalists no longer face each other in reciprocal competition and the whole economy is no longer left to the operation of the laws of competition; now the forces of

concentrated organised capitalism attempt to regulate the market. These forces are, indeed, organised according to their particular interest with each still independent of the other, but they dominate whole branches of the economy and, to a certain degree, steer them according to their will.

This development is strongly supported – and that is the revolutionary significance of the *industrial* protective tariff in this period – by using the protective tariff to reserve the domestic market for national capital and thereby also ease the formation of cartels. The cartels controlling the market are then in a position to increase the domestic price of their goods over that of the world market price by an amount equal to that of the tariff. They thereby achieve an extra-profit, which they then can use to increase their competitiveness on the world market.

What is most important for our discussion today, however, is that this period, in a wholly different way than before, increases the *close link* between the ever-increasing strength of *monopoly organisations* and between *the economic power of finance capital and state power*.

The development just described, which, as a result of technical and economic concentration, marks an extraordinary increase of productivity and with that a rapid increase in capital accumulation, is also an epoch of rapid expansion of capitalism throughout the world. The speed of this expansion is conditioned by trade relations ceasing to be purely commodity relations and by capital increasingly moving into underdeveloped countries themselves to construct capitalism there. The economic means of this transition is the *export of capital*. Let's look at an example to clarify the significance of capital exports. If Canada earlier was able to export its wheat surpluses for 10 million marks and was able to use this revenue to purchase industrial products worth 10 million marks, then capital export means a fundamental change here. The 10 million marks will no longer be placed at Canada's disposal in the form of goods. The immediate exchange of goods is replaced by the export of German, English, French, and Belgian capital into countries overseas. Because the Canadians have a 10 million mark surplus of wheat, it is possible to view these ten million as the interest on capital valued at 200 million used for the expansion of ports, the construction of railways, etc. The buying power for European industrial products is therefore increased from 10 million to 200 million, which are put at their disposal by means of capital export.

The issue of capital export now becomes decisive for the entire economic and, more broadly, the foreign policy of the industrialised European states. Because of the importance of capital export, capital is interested in strengthening state power. Only a strong state is in a position to protect its capital investments abroad in every situation, against the bankruptcy of the state, and

against attacks from within the states, and only a strong state is able to make it easier for domestic capital to compete in its sales markets. For example, whether Serbia bought its cannons before the war from Schneider-Creuzot or Krupp was a political question. It depended upon the political influence on Serbia exercised by the Germans or the French.

The struggle over capital investments *drives capital to exercise ever-greater influence over the state* and makes it imperative for it to strengthen this state power so that it can use this more powerful state in its own economic interest. The *economic policy of finance capital* was nothing other than what we call *imperialism*; it was the competition among the states for spheres of capital investment. It is a situation in which capital completely abandoned the position of liberalism. While liberalism believed that one should allow the economy to function according to its laws and that the state should refrain from economic activity to the largest possible degree, capital now pushes for control over state power in order to use it as a means of achieving its economic goals and, with the wealth of means the economic upturn has made available since the mid-nineties, is prepared to steadily increase the power of the state. These economically competing states ultimately created a situation that was resolved in the final analysis by the world war for a new division of the world, a new distribution of markets.

I have discussed all this to show you how the perspective of our business associations, which recently suddenly discovered that the state should not concern itself with the economy, is completely devoid any historical understanding. As long as state power was the monopoly of the possessing classes, capitalists had completely abandoned this standpoint. It is the *growing influence of the working masses on state power* that motivated the German business class to suddenly discover an economic liberalism that it had never supported when it held power.

It is this change in the relationship of state authority and the economy which is decisive when considering the present situation. We would not understand this if we did not consider it as a historically unique [moment], which, due to the enormous violence unleashed by the imperialist war, ultimately revolutionised the whole economy and fundamentally overthrew all economic relations. We still do not have an economic history of the war, although there are mountains of material for one. Nevertheless, we need to attempt to at least establish a clear understanding of the basic characteristics of the transformation precipitated by the war, characteristics whose meaning and importance we only now, long years after the war's end, can grasp. Still, we have to concede that we also have not assessed the significance of the war, its consequences, and its long aftereffects in all details. That is conceivable. After the war's end and after the first

post-war crisis of 1921–2, it appeared as if a tremendous boom would liberate the world from the damage the war had caused. Since that time, we have had an extraordinary increase in labour productivity and in our productive capacity, and the view seemed justified that the huge losses in capital, wealth, and production precipitated by the war would be made good. What was missing from this perspective, however, was that the war's violence had created such dislocations within the industries of the individual countries and between the individual countries in relation to trade, currency, and so on, and that these enormous dislocations were awaiting their liquidation in a world crisis. *The world crisis that we now are entering is, in reality, only the fundamental liquidation of the war.*

Let me briefly note once again the known facts. Initially, the war meant a total transformation of agricultural production, which, first of all, as a consequence of wartime conditions, expanded rapidly above all in foreign regions through the increase in areas under cultivation. Secondly, high prices created the possibility of intensifying agricultural production. You know the importance of progress in the sphere of chemistry in this period. It made available the artificial fertiliser that caused an increase in output per acre – artificial fertiliser, which the countries not engaged in fighting used during the war, which spread throughout Europe after the war, and which brought about a significant increase in agricultural production. In addition, there are the technical changes, such as the introduction of harvester combines, which play a great role, especially abroad. These changes ultimately created a situation in which the price of wheat in Germany amounted to 200 marks, but in Canada about 80 marks, in the distant centres of production in the American west, Argentina, and so on, 50 marks. Such prices, when agricultural production is carried out on the basis of the most modern machinery, guarantee profitability. These are huge dislocations in agrarian production that can only be understood as a consequence of the war.

But development in all the rest of the raw material markets was similar. The war created an enormous need. It brought about extraordinary rapid growth not only in the iron industry of the warring states, but also an increase of total metals production in all neutral and non-warring states and created the elements of future overproduction in all significant sectors of raw materials production.

That is one moment. The second moment is the rapid development of technique in general, which the war stimulated massively, and its introduction in all of Europe's industrial states, which during the war and the inflation were hindered in their use. In Germany, as in many other European states, we have the phenomenon that all of the technical advances achieved by the United

States during the war only were introduced in Germany after 1924. I will not discuss this technical development, but only make the point that it not only brought with it an extraordinary increase in productivity and an enormous fixing of large masses of capital, but during the war it simultaneously developed a strong tendency toward savings. Because in war one must economise on the use of raw materials, the avoidance of losses and the reuse of waste were of extraordinary technical concern. I remember the great progress made by heating technique, which as a consequence marked a great change in the possibilities for the marketing of hard coal.

In addition to this use of technique is the rapid change in the *organisation of the plants*, in the scientific reorganisation of the factories. The tendency is to no longer allow the process of craft work to occur as a purely empirical one following tradition, but rather to scientifically break it down, to dismantle all individual actions of individual workers, to study them in their individual component parts and to either replace these partial processes as much as possible with machines or, when this is not possible, to at least simplify them and thereby increase their effectiveness. This *rationalisation*, the linking of the scientific organisation of the plant with technical progress, brings about a very rapid and progressive freeing up of workers and is the reason for the so-called technical *unemployment* which accompanies these capitalist processes on a large-scale.

So much for the general causes, which are found within individual economies. But from the perspective of the world economy of no less importance were the extraordinary dislocations that occurred in the relations of individual nations to one another. War provides the strongest incentive for all countries to industrialise. I need only to recall the rapid industrial development in Japan, the prodigious rise of industry in the United States, but also the rapid expansion of the textile industry, the shoe industry, and other consumer goods industries throughout Latin America in order to make it clear to you how that marked a complete *revolutionising of trade relations* for European industry, and how that denoted a complete dislocation, a total imbalance, and a complete change of relations within the international division of labour. This had to call forth the strongest hindrances and frictions among the European states, which will lead to a new adjustment to the international division of labour. Associated with all of this was the impact of the total breakdown of money relations. The *currency turmoil* signified that the measure, the fixed measure of prices in international transactions, was missing, and that the automatic rules, which are determined by the laws of capital pricing, no longer apply to individual states. Thus the currency tribulations in themselves help to explain that the adjustment of European industry after the war could not occur in a proportional way suited

for the new worldwide international relations, but rather occurred as a result of numerous missteps on the part of capital. This was because an equal standard was missing and because, as long as these conditions in the European industrial states continued, until about 1926, every area was to a certain degree torn loose from its global connections and, in the increasing inflation, enjoyed an ever-increasing protective tariff against the penetration of the others' products. The large export premium, which progressing inflation brought to the various countries, had to awaken the idea among the capitalists that a constant expansion of production would find ever-growing returns on the world market. The protection provided by the inflation was enormously increased after the war by the creation of numerous new states with endlessly long borders and through the deliberate high tariff policy pursued by the European states as well as countries overseas as a means of propping up oversized industrial branches enlarged or created by the war.

Thus we can see that the violence of the war created a vast economic transformation, a transformation that, for a time, simultaneously invalidated the laws of capitalism that determine prices for individual states. It was during and after the war that the seeds were sown for powerful disturbances in the relations of production, in the relations between the individual industries, in the relations between industrial states and of the individual marketing areas to one another, which at some point must end in a great crisis.

Now, a particular process characterises this whole development: *an extension of capital exports via a form of capital transfer* unknown before the war in terms of its intensity, quantity, and quality. It is very clear that in a capitalist economy one would attempt to eliminate wartime losses, the capital annihilated by the war in the warring states, by replacing it with capital imports from other countries. More recently people have raised the objection that these capital transfers were not enough and that that led to a maldistribution of gold, a cause of the extraordinarily severe credit crisis that we face today. These criticisms don't stand up to close scrutiny. I'd like to use the United States as an example, because the development which capital transfer from the United States had taken was in fact not only significant for European industrial development and for the rapid restoration of European production, but it also contained a significant element of the current crisis. In 1913 European investments in the United States were valued at between 16 and 20 billion Reich marks. In contrast, the Americans had only about 10 million marks invested abroad and their total investments in Europe did not amount to more than 1.5 billion marks. After the war the United States disposed over the following foreign investments: the debts owed to the American government, in other words the war and post-war debts and some loans, which the American government directly granted

to smaller European governments, amounted to 25 billion Reich marks. Still more important, however, are private investments made by American capital in foreign states. During the war the United States not only bought back the greatest portion of its debts, i.e., the 16 to 20 billion worth of European owned securities, but from 1916 to the present they have made foreign investments totalling 65 billion marks. Of these 65 billion, 27 percent are in Canada, 44 percent in Latin America, 21 percent in Europe, and 8 percent in Asia. Thus, apart from reparations obligations and war debts, which Europe has to pay to America, the Americans have invested 12 to 15 billion in Europe in contrast to the 1.5 billion invested in 1913. I will return to the point that the *way* in which the investments were made after the war also is a factor in the crisis. Here I just want once again to address the issue of how this vast economic revolution, this complete dislocation in the conditions of production, the complete dislocation of credit conditions, and the new type of interconnections in the capitalist world economy have been able to exist for a relatively long time without precipitating the severe crisis in which we now find ourselves.

We have to remember that during the years after 1924 there was extraordinarily strong demand, above all extraordinarily strong consumer demand, in all countries that had been engaged in the war, and this strong consumer demand has driven industrial production forward without major disturbances. In addition, after 1924, following the stabilisation of the currency, the European industrial states needed to make strong investments to catch up with progress that had occurred in the areas of technique and factory organisation. We know from the whole history of the crisis that any need for industrial investment creates a boom which lasts as long as investments are made requiring the construction of new plants. Consumer demand in the first part of the period and the investment boom in the second part caused the extended period of prosperity. The whole development ultimately no longer rested upon capitalist free competition, but rather upon large monopolistic organisations and upon the power of finance capital. In the production of raw materials, such as metals, copper, zinc, and so on, manipulated prices were dominant. All these products were brought to market by cartels, trusts, etc., which were in a position, as long as the boom lasted and as long as the credit markets were undisturbed, to take advantage of credit and their monopolistic position to keep the price for raw materials extraordinarily high. Precisely the maintenance of these high prices repeatedly brought about an extension of production and in this way again formed a basis of the crisis.

In the agricultural sector we have a similar [development] but in a different way. It is characteristic of advancing democracy that not only the power of the working class grows, but the influence of the peasant masses on the bour-

geois parties and on the state increases as well. The peasant masses are the great reserve of the bourgeois parties, so consequently the latter are driven to win peasant support for their policies. The result is a universal phenomenon of the post-war period, whereby the state attempts in every possible way to guarantee the prices of agricultural products to the peasants. Hence the enormous manipulations by, for example, the American farm board or the Canadian government, but above all by the Latin American governments, which place the whole financial power of the state in the service of the effort to stabilise or raise the prices of raw materials and agricultural products as much as possible, even at a time when overproduction is especially spectacular. It was this power of monopolistic pricing that contributed to the lengthening of the period of prosperity and delayed the onset of the crisis.

Because of the vast disruptions and dislocations brought about by the violence of the war, this entire development had to ultimately lead to those distortions within the capitalist system that repeatedly appear as overproduction. Because if, for example, the automobile industry enjoys high prices and brisk sales during a boom, then development occurs in such a way that ever increasing new capital investments are made in the automobile industry. If I remember correctly, in 1924 the condition of the American auto industry was such that Ford's output was able to cover half of the American market. In 1927, so still during the boom, conditions in the American auto industry were already such that Ford could cover only a third of the market. The remainder of the turnover was covered by General Motors and other well-known American automobile companies. But to reduce Ford's share of the market, General Motors and the other American firms steadily increased their investments so that, while Ford covered just over a third of the American market during the boom, the capacity of the American automobile industry at that time amounted to 150 percent of turnover and today perhaps 200 or 250 percent. Thus, in spite of falling prices, there is suddenly an enormous surplus of cars available.

Agricultural production has increased to such an extent that we, if we focus on the European-American market and set aside conditions in East Asia, are no longer dealing with a situation of relative overproduction, but rather with absolute overproduction. This is especially true if we consider the changes in consumer habits in the American and European population, above all in relation to wheat and rye consumption. Accordingly, you will understand that, when there are such major disproportions among the branches of production, at some point this must lead to faltering sales, falling prices, and a reduction in output in those industries and in those branches of production that had expanded the most. If, however, contractions begin in a whole series of important industries, that means that demand in these industries for new means

of production dries up completely, resulting in major impacts on those firms producing means of production, which must commensurately reduce output. Reduced production means laying-off workers, reduced production means a reduction in demand, and falling demand then impacts the consumer goods industries. Thus the process, once underway, spreads to other sectors and ultimately a general stagnation sets in.

And this crisis – whose extent can only be explained by the impacts of the war's violence, its direct political violence – affects a *new organised capitalism*, a capitalism which under finance capital is incomparably more powerful than in any earlier period, but is also incomparably more sensitive. This is because, with such a disruption of industry, the intimate connection between industrial and credit organisations must also *directly impact the latter and subsequently lead to the complete disruption of the whole credit mechanism*. And secondly, the crisis strikes a capitalism in which the organisation of credit is under such strain that any shaking of capitalism's structure allows the granting of credit to seem problematic. At the same time, the proportion of short-term, immediately recallable credits is larger than in any of capitalism's earlier phases.

And now begins the collapse of raw material prices. Initially, that means the falling buying power of raw material producing countries, above all the declining buying power of South America, Australia, Canada, and so on. As I said, their whole development was based primarily on foreign American and English capital. This foreign capital now seems endangered. In all these countries, the crisis in production has major effects on finances. All these countries now find themselves unable to manage their finances. With great effort and sacrifice, all of them had straightened out their currencies [but] now resort to new inflation, which thereby again endangers their credit worthiness and fuels mistrust enormously. Capital reserve overdrafts begin and it soon becomes clear that these credits in the economy, in the factories, or – worst of all – with the state are frozen and consequently cannot be repaid. One must bear in mind the Australian and South American development, because it is the first impulse for the emerging mistrust in the United States and England, but also for the attempt of the English and American banks, since they can no longer regard their money in Australia or South America as liquid, to withdraw their other investments in order to improve their liquidity and better arm themselves for the crisis.

These early beginnings of the credit crisis were then greatly intensified by developments in Europe. Again, European development is not to be understood as a purely economic one. It must at the same time be understood as a political one, because Europe's political condition, especially the intensifying antagonism between Germany and France following Stresemann's death,

has substantially contributed to the extraordinary sensitivity of the credit system, to the increasing lack of confidence, and to the necessity for the banks to withdraw their credit and to increase their liquidity.

But it is not the quantity of foreign capital that is under consideration here; it is also the quality of the credits that were granted. Before the war we had the constant phenomenon of capital exports, the constant expansion of European, English, and later American capital investments, but growth of these investments – at least in the development of railroads, transportation, and in general for industry – mainly and as a rule occurred in a *long-term* form. These were investment credits that were provided in a form only appropriate for investment credit: as loans to be paid back at interest over many years. The capital could not suddenly be withdrawn. Post-war political instability pushed this form of investment into the background to be replaced by *short-term* credits for investments, which investors assumed could be withdrawn at any time. Because one had to consider Europe's currency situation and the development of political conditions with concern and mistrust, one believed that security could be achieved if investments were made on a short-term basis and could be recalled at any time. One simply overlooked the fact that these loans actually would be used, must be used, to rebuild industry. They may formally have been granted short-term, but they would of necessity be invested long term in installations and factories. And just as the reasons for this switch to the short-term were confirmed for the creditors and they attempted to meet the crisis by withdrawing their short-term loans, at that point their economic nature rebelled against their legal form and it became clear that the credits were not used at all for the short term, but rather for the long term.

This development rapidly became increasingly central. Conditions became ever more problematic. The crisis finally became acute through the collapse of the Austrian Kreditanstalt and, from there, the lack of confidence spread to Germany. And now the thing looked like this: A great number of securities were held in American and English banks which had been frozen in South America and Australia and could not be made liquid. The banks feared that the same situation could occur in Germany. Thus began the withdrawal of credit from Germany, which had already been prepared through Germany's domestic situation. You recall that, after the September elections, the first run, a first withdrawal of German assets, had begun. At the time the Reichsbank lost a billion in gold and hard currency, but by keeping the National Socialists out of the government, the loss of confidence was halted. Now the withdrawals began again and the danger was manifest that given the scale of Germany's short-term obligations – about 10–12 billion – such a run could not be withstood. However, American and English finance were immediately threatened, a circumstance

which resulted in the intervention of the American President recommending a halt to reparations payments to provide some relief to Germany's balance of payments and allow it to pay interest on its short and long-term debts. The situation was paradoxical. At no time were Germany's private foreign loans, with regard to interest payments, as secure as at the moment Hoover published his recommendation to stop reparations payments. This recommendation meant that Germany saved 1.6 billion in payments to foreign creditors. The remaining foreign debts, both short and long term, amount to about 1.5 billion marks per year and these were well covered by the surplus generated by the German trade balance in the current year. As noted, the short-term investments, in regard to interest payments, were never as secure, but every American or English, every Swiss or Dutch banker wanted not only to secure his interest, but they also wanted to know whether his capital was secure. The bankers wanted to withdraw the capital in order to arm themselves to deal with shocks caused by the crisis in their own country. And when French policy led to a delay in the implementation of Hoover's plan, this delay of a few weeks was enough to rekindle a run on Germany. Within a short time, the German economy lost 3.5 billion in gold and hard currency and thereupon the foreign creditors themselves forced a halt to German payments.

Initially, the halt to the payments meant an extraordinary intensification of the crisis for Germany. The withdrawal of 3.5 to 4 billion marks from the German economy marked a change in the volume of credit, which in turn impacted the financing of foreign trade, which then immediately effected industry and business, and which brings with it the great danger that due to the credit situation our trade and our industry would experience ever greater declines.

In this context I would like to briefly dwell on the impacts of the German situation on the world market. We know from the Layton Report that the short-term obligations, which Germany can no longer fulfil, and whose fulfilment has been postponed for six months, amount to about 7.5 billion, and we know that the largest portion of this 7.5 billion originated in the United States and England.* The German credit crisis, therefore, had to have the sharpest immediate impacts on the American and English situation. But England and America's financial capabilities are very different from one another. The late entrance of the United States into the war, the deliveries to warring states at the highest prices,

* In July 1931 the Bank for International Settlements put together a commission of experts to examine how, following the banking crisis, Germany could once again become capable of paying its debts. Chaired by an American, Albert H. Wiggen of Chase National Bank, the Commission's report was written by Sir Walter Layton, editor of the *Economist*.

and the debt obligations of these countries to the United States, have made the American balance of payments very positive and, as a result, the American Federal Reserve today disposes over 20 billion marks worth of pure gold.

Indeed, the British, too, have had a positive balance of payments over this entire period. They have, however, from the total surplus of their balance of payments, and that was about 8 to 10 billion between 1928 and 1930, taken these sums and, in so far as they were not needed for domestic investment, repeatedly quickly invested them abroad. However, they have pursued their business of world finance with a minimum of gold, so that the gold reserves of the Bank of England were relatively fewer – between 3 and 4 billion – in contrast to the enormous obligations the British have taken on. In addition, the British have financed the European and overseas countries in part not only with their own means, but in part with means borrowed in the short term above all from France and from smaller European states. Therefore the freezing of Germany's short-term obligations had to call forth in England a situation very similar to that of Germany. At the moment when Germany could no longer pay England, the position of England's financial centre became problematic, beginning with the withdrawal of French and other short-term loans from England. In the unbelievably short time of about three weeks, the Bank of England had lost no less than 200 million pounds, about 4 billion marks, in gold and hard currency. They had lost it although out of fear of further impacts the Americans and French placed 2.6 billion marks at the disposal of the Bank of England and the British government. The situation today is such that the Bank of England in reality possesses little gold beyond what it owes to the Americans and to the French. The run on Britain continued until the Bank of England saw itself placed in the situation where no more credits, or at least credits from the United States, were forthcoming, the [same] situation faced by the German Reichsbank: it had to stop its payments. There is, in part intentionally by England and more naively in the rest of Europe, the suspicion that behind the payment stop stands some kind of grand plan. But we have documentary evidence that there is no grand plan behind the payment stop, but rather simply the inability to pay. On 8 September, on the day that MacDonald presented his national government to the House of Commons, and after explaining his budget cuts and the reduction of unemployment insurance support, he noted that,

It is better for us all to stand in a more secure position with our belt tightened than to persist in uncertainty with a loose belt. It is your duty to stay at your posts and leave it to our banks until the budget is in order and the world is again certain that the pound sterling is unassailable.

Twelve days later the pound sterling was not only under attack, but it had lost one-fifth of its value.

We see then that the intensity and breadth of this crisis originates in the sweeping revolution in the relations of production, trade, and credit created by the war. This *crisis has now swept over the entire credit organism of the capitalist world* and this credit organism is almost everywhere threatened with destruction. But of course that means not only moments of confusion in the transfer and withdrawal of capital, but rather complete confusion in the whole of trade and industrial relations, a massive disturbance in the financing of international trade and national industry, and the impossibility of providing them with necessary operating credit or bond credit. All that means an extraordinary sharpening of the crisis. That becomes clear to us through the example of England itself.

For a long time England was in a special situation. England has always shown a large deficit in its trade balance. That was not a serious concern, because England had long earned large sums from shipping, from the financing of world trade, from insurance, and from interest on its capital exports, etc. It is estimated that, before the war, English capital investment abroad totalled 80 to 100 billion marks. Now, in 1930 the English balance of payments looked like the following: it showed a surplus of imports over exports and therefore a trade deficit of 8 billion pounds. This deficit was covered first by interest from foreign investments, which amounted to about 4 billion. Income from shipping totalled more than 2 billion, and an additional 2 billion came from short-term interest, income from brokerage commissions, and so on. In a word, in contrast to the deficit in the trade balance, all these sums that I have cited total 8.6 billion marks, including a 600 million-mark surplus even in 1930. This surplus, however, had been extraordinarily reduced by the crisis. In 1929, at the high point of the boom, the surplus totalled 2,760 million, thus 2 billion more than in 1930. It is expected, however, that in 1931 this surplus will be transformed into an extraordinary deficit of 2 billion. The South American states are bankrupt and the South American economy is bankrupt. England's long-term investments in Latin America, in the railroads, in the metals industry, in the tea plantations, in the rubber plantations, and so on, are all becoming deficit-generating enterprises rather than surplus-generating ones. In addition, there has been an extraordinarily long decline in income from shipping and from emissions and commissions in British finance so that, as noted, this year in England, where capital's lack of confidence has become so great that it is withdrawing its investments in pound sterling, one can expect a trade deficit of 2 billion. The situation in England is so dangerous because the income that flows, in part, so slowly from England's long-term investments is counterbalanced by very large

short-term loans worth billions that can be recalled at any time. And England's situation is even more threatening because capital flight there has taken on extreme dimensions. English capital flight would express itself in the sale of English securities abroad and to this would be added, under certain circumstances, the return flow of English securities owned by foreigners who would sell at a loss in order to prevent further losses. English specialist publications vary in their estimates of the extent of these movements, but a conservative estimate says that the movement of capital here can reach a height of 15 to 20 billion German marks.

Surveying English actions one can assert two things. It is different from German actions in one decisive point. We have paid back the short-term loans as long as we could, as long as the exhaustion of gold and hard-currency supplies had not reached a threatening level. Then we practically ended our payments to foreigners and ultimately came to an arrangement with our creditors to postpone these payments. It is a provisional solution; it is a solution fraught with danger while raising the issue: What should happen after six months? But, on the other hand, it was this solution that allowed us to maintain the stability of our currency. *We have kept the currency stable.* But the British moved ahead differently. They have stopped payment in gold; they no longer cover the full scope of their obligations [in gold], but in pound sterling. But the pound sterling today has no gold value. It has only three-quarters or fourth-fifths of its earlier value, in which its obligations were contracted. To that extent, then, this action marks the expropriation of those creditors who are recalling their sterling balances. For England it means *devaluation*; i.e., a reduction in the value of money. The devaluation of money did not arise through the type of inflation that emerged from wartime management, which printed ever more currency and put it into circulation to pay for wartime deliveries and salaries. It is a monetary devaluation called forth by an England no longer fulfilling its obligations in gold. It pays abroad in pounds. Because the demand for the pound on the market is less than the supply, the value of the pound is sinking in comparison with other currencies. Today it cannot be discerned when England will return to stability or at what point England will be able to stabilise its currency. How England will resolve this issue is uncertain. Above all, it is uncertain whether England will be in a position to do it on its own.

What is certain is that for England, the collapse of the pound can mean the loss of its position as the centre of finance. I have told you how high England's income was as a go-between in world trade and from its shipping, and how billions of yearly income are at risk if England loses its central position in finance, money that would be lost forever. In addition are England's foreign investments, the debts that foreign countries pay to England and whose value

amounts to between 80 and 100 billion marks. The devaluation of the English pound means the devaluation of a part of these investments, and it exceeds what the English could gain by paying back short-term loans with less valuable currency in the rest of the world.

It appears, therefore, to be in the English general interest to return to stability as soon as possible. Yes, I'd like to go further: it is in England's general interest to stabilise the pound on its old basis. Whether the general interest will win through is questionable. Strong English interests are participating in the devaluation and the fixing of the value of the pound on a lower level. They know the impacts of the monetary devaluation. It means above all the rising price of goods, but the rise in the price of labour power follows the rise of other prices much later on. Wage increases are always questions of social power, questions of social struggles, and wage increases are consequently more difficult to carry out than are price increases for goods during a devaluation. The strength of the English unions makes direct wage reductions difficult. The entrepreneurs hope, however, to achieve their goal in one blow. By maintaining the nominal wage and reducing the real wage, the gold value of wages, which are critical to the ability to export, immediately falls 20 percent. Consequently, English industry has a strong interest in a reduction of the value of the pound. Whether industry can push through its interest is a question that cannot be answered conclusively today, especially since sections of the English working class do not oppose the inflation in the blunt way that we, in line with our experiences, had to.

Above all we are interested in the impacts of the English crisis on the situation in other countries. I have already said that in large measure England finances world trade. Exports and imports, not just to and from England but also, for example, between Canada and Germany or between France and Argentina, etc., are to a large degree financed through the exchange of the pound, financed through English Rembourskredite, through foreign trade credits of the English banks. The financing of exports today is in complete disarray. Currently it is hardly possible to make contracts in pounds for the delivery of Argentine or Canadian grain to Europe. The English crisis marks a breakdown in the financing of world trade; it is a blow to all export industries and damages all industrial countries to the degree that they are engaged in foreign trade. It is especially a blow to German foreign trade, because, as a result of its shortage of capital, Germany relied primarily on English credits to a much larger degree than before the war.

The disorder emanating from England is extraordinarily intensified by the currency confusion that has set in throughout Europe. According to English opinion, the devaluation of the pound should raise English exports and reduce their imports. Because imported goods now command much lower prices,

imports would fall. On the other hand, the English, if they now sell their exports in pounds – because the price of labour initially remains the same, because domestic prices rise more slowly than the fall in the exchange rate and the fall in the value of the pound abroad – earn an export premium. But many countries that do much business with England, especially the Scandinavian countries, believed they had to immediately respond to this English advantage over them. They, too, halted payments in gold and allowed the value of their currency to fall to a level commensurate to pound sterling. Denmark, whose economic exports are primarily to England, consequently does not have to fear the disadvantages to its imports that normally would accompany the devaluation of the pound. Matters are similar for a number of European countries. Only a few countries, like France, Belgium, Holland, Italy, Switzerland, and finally, Germany, still maintain their gold standard today.

Today this currency confusion is a means of assistance with which countries attempt to protect themselves against the English crisis. But those countries that believe for one reason or the other that they need to hold fast to their currency and to whom inflation does not seem like the suitable means, seek to counter England's export advantage using more indirect methods. Two measures are available to them. One is the famous reduction in costs, from the capitalist point of view that means pressure on wages. The second is the gradual increase of the protective tariff vis-à-vis England, especially the tariff on English commodities. Today representatives of capital throughout Europe defend both of these measures. We again have to expect a powerful attack on the level of wages particularly in those branches that are immediately threatened by English exports, coal for example, and we have to expect a new wave of protectionism. I am reminded that Italy has just raised its tariffs about 15 percent, Switzerland is about to cancel its trade treaty with Germany in order to be free to increase its tariffs, and France, too, is attempting to seal off its domestic market by cutting imports and raising tariffs. We can say that the English crisis has set in motion a wave of protection that intensifies the crisis extraordinarily and brings about the opposite of what would be necessary to resolve the crisis. And this analysis does not disregard the further ramifications of English actions. The disruption of the credit mechanism never is limited to one country and that is especially true if the disruption has gripped the centre of international finance.

We have to expect the next repercussions in the United States. It is extraordinarily characteristic how this country, with its enormous gold reserve, is exposed to a run. Lack of confidence has resulted in the public withdrawing 1.5 to 2 billion in currency [from the banks] and storing it in its pockets. The American currency banks have lost 1.2 billion in gold in ten days and this loss of gold, although relatively small when one considers the total amount of

America's gold holdings, has still caused uneasiness. The issue in America today is more how do we protect our gold reserves, rather than how can we use our gold reserves to end the crisis? Today it remains unclear what disturbances in the United States will ensue.

And in this regard one can say that this series of disturbances, the calling in [of capital] from Germany, from England, and now from the United States, is completely understandable from the standpoint of banks in the private economy. In a crisis any bank would attempt to remain as liquid as possible by recalling its loans and creating a cash reserve that is as large as possible. But this correct action in the private sphere shatters the credit organism of the capitalist economy, and at the same moment in which our businessmen claim that there is too much socialism, too much planning in our economy and that that is the reason for the depth of the crisis, we must note that *the capitalists are not in a position to protect their own credit organism even to the smallest degree from the senseless claims dictated by private interests, although the latter are the cause of its complete collapse*. They have not done it, although they have had the means ready to hand, because in contrast to the anarchy in capitalist production and trade, the money economy and consequently also the credit economy in all large capitalist countries are from the outset regulated by the state and dependent on the plans of the central bank. In the central bank, capitalism (the capitalist economy) has a social instrument to hinder at least the worst consequences of such chaos through planned actions. What we have to state here is that capitalist society, although it has this instrument in its hand, was not and is not yet in a position to use it. It is not that there is too much planning, but it is the failure to recognise the possibilities for it exactly where it is available: in their own capitalist organisations. This has resulted in the collapse of credit organisations in a manner that no socialist theoretician of economic collapse could ever have imagined!

I have already said that the central banks of the United States and France had attracted the largest part of available gold not through conscious policy, but through the conditions that emerged after the war. The Americans dispose over 20 billion and the French over 10 billion in pure gold in addition to five to six billion in hard currency. France's situation is different from that of the United States. The Americans became top creditors in the post-war period. French capital exports were hindered in the post-war years until 1926 by their own currency problems. After 1926 they issued no long-term loans because they feared political insecurity, and because of the caution of the small French savers, who, [thinking of their lost Russian billions] believed that they understood the danger of foreign investments and rejected making long-term loans in countries whose political constellations seemed insecure. Consequently, French fin-

ance, in so far as it makes any loans at all, issues them only on a short-term basis and only in countries like the United States and England which appear to be extraordinarily strong financially and politically secure. As a result, because it has withdrawn its securities from England before anyone else, France today has the strongest financial clout, stronger than that of America. But this financial clout is paired with the absolute displeasure of French savers to make any use of it and the French government has done nothing to alter this policy. And when we wonder to ourselves what consequences this American and French policy of *holding onto gold* has had, we can only say that *it was this policy that first caused the credit crisis*. When Germany was exposed to a [credit] run, in all probability – and I still believe this today – the crisis could have been halted with a timely long-term credit from the United States and France carried out at the same time as the Hoover plan. All experience has shown that when savers see that they receive cash payments, they soon stop being so fearful and again bring their credit. The sum that would have been enough at that time to protect Germany from the credit crisis and thereby to prevent the effects of the German crisis from impacting England, after the fact would perhaps have had to be multiplied by a factor of ten to halt the credit crisis in England.

Today matters are such that a solution of the English crisis, and thereby a solution of the German crisis, which is only one constituent element of the whole crisis and no longer the largest one, would be easy if the United States and France would agree to make their gold reserves available to remedy this crisis. Then a sufficiently long-term agreement could be reached with the German and English creditors. With the help of the American and French Central Banks, which would partially restore German creditors' recently issued promissory notes, such an agreement would make it possible for creditors to mobilise a part of the debt. The mobilisation *can* occur and the necessary confidence *can* be created when France and America are prepared to guarantee these agreements, when the French and American central banks are prepared to make available the necessary rediscounted credits – in other words, to make available under certain circumstances the required amounts of gold – so that frozen credit becomes liquid again. But that is extraordinarily problematic. I have told you that capitalist circles in the United States are already very upset about the withdrawal of gold, which has occurred there over the last few days.

We know that up to now and in every circumstance the Bank of France has pursued *one* policy: protecting its gold supply! And when the French stabilised their Franc, they preferred to take on large American credits before they dared to use their own gold reserves. It is extraordinarily questionable whether an easing or a resolution of the crisis will come from this quarter. It cannot be foreseen today whether the discussions between Laval and Hoover will actually

lead to a way to solve the credit crisis in Europe and prevent it from spreading to the United States. It is possible that the American banking system will have to become paralysed first, before the Americans really understand that this is all about.

But, ultimately, for the capitalist world it is extraordinarily hard to think of another solution. It would not be a recovery if, as one says: After the English have left the gold standard, after the gold standard has been abandoned, other countries must follow this example. I have already said *inflation is no way out for us*. We know that inflation is the worst kind of taxation, it is the most perfidious means of lowering wages, and we know that any inflation will finally end in a severe economic disturbance. At the end of the inflation it is necessary to stabilise the value of money and that can only come about through genuine deflation, in other words by means of a new crisis. Inflation is no way out, but shouldn't we try to work with the English to cut loose from the gold standard, which has caused so much misery, and arrive at a new, so-called *scientific currency*? I have intentionally and emphatically stressed how powerfully extra-economic force impacts the economy and what enormous effects they have caused in the sphere of production. I believe that these remarks ultimately lead to the conclusion that *the origin of this crisis does not lie in money relations*. In the United States years of extraordinary prosperity could be maintained on the basis of a very large gold reserve. But this strong reserve did not in any way lead to a similarly strong increase in the circulation of currency. It did not even lead to an unusual expansion of credit. Decisive, however, is that this huge gold reserve, the circulation of currency, and the relatively liberal credit policy pursued by the Americans during the whole period, have not changed with the onset of the crisis. The situation in America is as follows: The Americans dispose over half of the entire monetary gold supply. Their gold today is in no way a practical obstacle to the circulation of currency. The currency in circulation is fully backed by the gold reserve. The Americans can expand their credit at any time and since the onset of the crisis they have reduced the discount rate to 1.5 percent. In America, short-term money is almost unavailable; long-term loans are extraordinarily cheap, when they are secure. The American Secretary of the Treasury was recently in the happy situation of borrowing 800 million dollars in long-term money and had to pay less than 3 percent. Thus, in spite of the largest gold reserve, in spite of the liberal credit policy, in spite of the lowest discount rate, and in spite of the extraordinarily low rate of interest the worst depression continues and it is impossible to expand credit. The depression did not start due to the shortage of credit. I remember that during the [period of the] strongest stock market speculation and at the height of prosperity, the American discount rate never

stood above six percent, and this was nominal because any prosperous business at that time could issue stock with high premiums. It was cheap to raise money. Therefore, little can be done via a mere expansion of credit or with the mere expansion of the money supply.

But above all: is another currency possible than a gold currency? Certainly, we have all possible types of paper currency and I think that in a pinch such a currency can be made stable to a certain degree. Would such a supposedly stable currency, if such a thing were possible, hinder the onset of industrial crises? I have already said that the disturbances in production can have very different causes. Allow me briefly to give an example. We know that rubber has sunk to 1/15th of its value from its peak in 1929, and in comparison iron has fallen 40 percent. If I were to presume gold's stable value, then that still would not change the fact that if a rubber plant today was to be built and the owner has to buy the iron necessary for the project, because the price of iron only fell by about half while the price of rubber fell to 1/15th of its earlier value, he would have to provide seven times as much rubber as before to procure the needed iron. The prices of products have not retreated at the same rate but in very different ways depending on how the overproduction in the individual branches occurred. A stabilised currency can change nothing in respect to the interrelationship of falling prices and consequently can do nothing to change the reality that the rubber owner is simply not in a position to make new investments because for him the iron costs seven times more than he would have paid a few years before. Matters are similar, if not on this scale, in regard to the relationship of agricultural and raw material prices to one another and to the prices of industrial goods.

But we cannot expect to overcome the crisis via the currency. We can only expect to overcome the crisis by turning away from the methods that have led to the crisis. We have seen how the advancing shocks of the crisis led to a general decline of buying power and consequently to a general reduction of consumption. We have seen how the credit crisis and the abandonment of the gold standard have led to severe shocks to international trade, to the reestablishment of protectionism, to renewed pressure on wages, and thus to a deepening of the crisis. In the face of this situation we must demand that the capitalists, if they wish to remain on the terrain of capitalism, at least replace their misguided methods with the correct capitalist ones; that means the correct international banking policy. An internationally appropriate banking policy would mean that the French and American central banks, which today count as currency banks, have to stop locking up their gold and instead make it available for the resolution of the English and German crisis. On the national level it means changing bank policy to one that avoids limiting

credit and thereby damaging production. Further, in the international sphere it means pursuing a foreign policy that calls for security and trust. For us in Germany it means establishing a reasonable relationship with France. We now have other concerns than rearmament, other concerns than resolving outstanding territorial questions. Today we have to worry that people in Europe can work again. And one will only be able to work again if political calm is finally established. We have to look at the facts soberly. A year ago there were those in Germany – who not only vote, but also sometimes are represented in the Foreign Ministry – who shared the illusion that Germany, in cooperation with Italy, Hungary, and Romania, could set up a fascist league against France. Meanwhile, this illusion has basically evaporated. Italy is not in a position to carry out a policy that would bring it into conflict with Europe's strongest financial power. And the Americans also want peace and quiet in Europe. Italy is not able to pursue an anti-French policy, and the other states, Hungary, and so on, have long ago switched to a pro-French policy. If we consider the situation today, then we have to say that, since Napoleon's day, France has never been as strong politically and financially than at present, but France's position also seems to be much more stable than in Napoleon's time. And we, who have not created that [situation] and cannot change it, must conclude from this fact that our most pressing economic needs demand a foreign policy that clears up and stabilises our relationship with France and leads to a solution of the economic chaos.

Instead of protectionism, we need a German *trade policy* that finally draws the conclusion from the economic crisis that German raw material prices and the prices of German grain and bread cannot be separated from developments on the world market. And more than anything else we need a German trade policy that reaches an understanding with France over the leadership of European trade policy. It is a terrible danger for the world and I don't know if it might already be too late to implore them: if England turns away from free trade then that would draw Scandinavia, Holland, and Belgium away from their current liberal trade policies. That means that the largest part of the assets of our trade balance, which we desperately need to pay the interest on our foreign credits, is endangered, because exports to England and Holland alone bring in a yearly surplus of between one-half and three-quarters of a billion [marks]. If England adopts protective tariffs it means a new deepening of the crisis. England can, however, under certain circumstances, be dissuaded from the most extreme protectionism, if its demand – made months ago to the large European states – is satisfied and we offer a real reduction in our tariffs, and if we bring about a reduction of tariffs internationally, which we can do as soon as we have an agreement with France on international trade policy.

We live in a peculiarly contradictory situation. The crisis has caused the economic collapse of monopolies in many areas. Those who dominated in the metals industry are no longer in a position to manipulate prices. Many great financial concerns have had to dissolve. But all these efforts at dissolution also again create a tendency toward new concentrations, new mergers, and new capitalist organisations. It is not so that the banks only create bankruptcy. Large organisations of banks are supported by other banks when they are not supported by states, and the concentration of the banks is making unstoppable progress in the crisis.

To a certain degree, the crisis surely weakens the fighting power of the working class; in various countries it reduces its political influence, but on the other hand the obvious *failure of capitalism* brings about a strengthening of those tendencies of capitalist production, which lead to more planning, more supervision, and the strengthening of the influence of the state. During the crisis we have seen one thing very clearly in all countries: the collapse of a big bank is no longer possible; any big bank – whether already bankrupt, on the way to bankruptcy, or whether it could still avoid going bankrupt – today has the backing of a state guarantee not only in Germany, but also in fascist Italy, in individualist France, in the United States, Denmark, Sweden, etc. The banks currently are privately owned *but they administer the wealth of the nation and they have the guarantee of the nation*. Therefore, *it has become unbearable to leave the banks exposed to the vagaries of the private economy*. We need such regulation at precisely this moment, because the bank policy at the moment is decisive for the continued operation of our entire industry. A bank policy that is too narrow, a bank policy that aims at all times to maintain rigid gold coverage, would damage the economy more rapidly than would otherwise be the case. We need a bank policy that is aware that it must and can, to a certain degree, replace the credit withdrawn by foreign creditors by broadening the volume of German credit. Therefore, it is necessary for the state to gain influence over bank policy in very different ways than before. But we also need a bank policy that prevents the banks from misleading industry as a result of private sector concerns about competition, instead of providing some measure of oversight over the industry, its investments, and its investment policy. And that is why it is so important that, in spite of the crisis, in spite of the movement forward of all capitalist tendencies in the crisis, in Germany we have moved forward a step in this area. I am not fooling myself. I know that the scale and way in which this policy is pursued essentially will depend upon which classes have decisive influence over the governmental authorities. But we have made a beginning and we have an effective means. Whether commensurate and good use will be made of these means will depend solely on the strengthening of those social

forces that truly have an interest in a bank policy conducted in the interest of the public rather than the private sector. As a result of the abuses carried out by the capitalists and especially the big firms, we have made progress in the area of corporate law. That, too, is only just a beginning and we will have to fight with all our might to achieve the necessary expansion of state influence in the sphere of production so that, via the creation of a Cartel Office (Kartellamt), we are in a position to directly control the large monopolistic organisations.

But we must also assert: when we demand from the capitalists that they implement a rational capitalist policy; when we on our side fight for increased control of production, for increased control over the entire capitalist mechanism, we also know that that is only a part of the job.

Esteemed assembly! There are people who argue about whether this is the final crisis of capitalism or only one among many crises. I believe that in my remarks perhaps I have shown you that that is not really the question. We are dealing with a unique crisis that resulted from the war's enormous violence and its impact on the economy. But, on the other hand, *the question of whether it is the crisis or a crisis of capitalism is not the decisive matter for us*. For us, for the trade unions, the decisive thing is that in every phase we do everything we can to reduce the private power of capital and to employ the democratic state, i.e., the state increasingly influenced and dominated by the broad masses, in the interests of the whole. We fight with the same intensity for this goal in good times, when the trade union organisations are mightiest and the fighting power of the working class is strongest, and in bad times and especially in a situation that is as fateful and difficult as the one we now face. Whether it is the last crisis or just another crisis of capitalism is not an economic or a mechanical question, for capitalism will not collapse as a consequence of its own contradictions, as enormous as the tensions are that the system creates. On the contrary, *it will be overthrown in the final instance by the will of the working class, by the will of the unions of workers and employees*. (Assent) That is not an economic question, but a political and psychological one. It is a question repeatedly raised anew during periods of prosperity, when the desire to attack and the power of the unions is strongest, and in periods of economic downturn, when the conviction thrusts itself into the consciousness of the masses of how terribly the privately owned economy fails.

That is the question and for our part we cannot do anything other than to raise the issue over and over and to show with ever increasing intensity the consequences and fruits of capitalism to the workers and to ask them: How much longer?

In this struggle – and with this remark let me come back at last to your congress – *the white-collar unions have a special role*. The fight in Germany is

particularly tough. When we look at other countries, when we look at England, we see most clearly that the working class there only faces the problem of fighting for state power. In Germany we fight not only to conquer state power, but we have to restore democracy in order to conquer state power in a democracy. That is what so enormously complicates our situation in Germany. Our struggle, in every phase, even in every phase in which only political demands seem valid, is nothing other than the fight for the final goal of socialism. And for exactly that reason it is the task of employees to recruit and to understand that the new social order is only possible through the possession of state power, which provides all working people with the possibility of development. And that can only be a democratic state.

And there is yet another thing. Every social revolution in the entire history of humanity has always required the support of strata that have taken on intellectual work, organisational functions, and leadership functions. It is a result of capitalist development, of the progressive concentration of production, that leading functions are ever more divided up and specialised. The construction of the hierarchy, of a ladder of leading functions within the production process, within the economy, is a particularly important result, because the interests of these functionaries become increasingly detached from the interests of the owners. It is this separation of ownership and the leadership of production, which, on the other hand, pushes these functionaries of production closer to those who labour as workers in production. The difference begins to disappear from both sides. First, the skill level of the worker becomes ever greater, because the more we penetrate the educational privileges of the ruling class, the more strongly the worker himself participates in intellectual activity, in the achievements of culture, and, on the other hand, in the tasks of leadership. The exercise of leadership itself becomes more transparent, simpler, and more accessible through the division of labour, if it isn't partially mechanised in the offices. Decisive is that the labour movement desperately needs such people as it progresses. I will not address the psychological obstacles of all kinds that hinder the speedier unification of these functionaries of production. I understand very well that especially in employees' circles, which to a degree confront the workers in the plant as managers and their assistants, there are still illusions about the nature of their activity, about their interests, and that they fear that in a socialist society they perhaps would be in certain circumstances psychologically oppressed rather than in an elevated position. I believe that anyone who thinks in that way does not understand the socialist motto. The essence of our new order *does not consist of a crass egalitarianism* (Gleichmacherei), of a mechanical levelling of individual people, but rather it consists of the liberation from all obstacles, both of the privilege of ownership and of that of

education. It does not eliminate competition, but creates the possibility *for competition among individuals to unfold*; it provides individuals with the same chance regardless of whether their fathers were well off enough to send them to the Gymnasium or not. It consists of supporting precisely that competition that is so necessary to move forward toward greater achievements, which we also have in our trade union and political movement, which enables us all first to do what each person can do in his respective position. It is just this competition that we wish to increase and it is precisely its unfolding that will allow the basic essence of senior staff to prove itself, a basic essence conditioned on the one side by his being detached from ownership, because he is not an owner, and on the other side by his knowledge that he does not work for unfamiliar individuals, but rather that he works for the whole of society, of which he is an essential and indispensable part.

We are in the midst of an enormous crisis and none of us can say how it will turn out. But, *unlike Hamlet, who is furious that the world is falling apart, we are called to rebuild it anew*. And, in spite of all the misery, we affirm: in the capitalist economy there is something that grows ever stronger, that grows ever larger due to the mechanism of capital, that becomes ever more organised and ever more able to fight. That is the working masses and they never despair, they are proud that they are called to build a new world from the ruins of the old. (Stormy, long-lasting applause)

Rudolf Hilferding, 'Gesellschaftsmacht oder Privatmacht über die Wirtschaft', in Cora Stephan, ed. *Zwischen den Stühlen oder über die Unvereinbarkeit von Theorie und Praxis. Schriften Rudolf Hilferdings 1904–1940* (Verlag J.H.W. Dietz: Bonn, 1982), 237–67.



Under the Threat of Fascism (1932)

I

In a small pamphlet¹ in which he chastises the tactics of the German Communists during the referendum against the Prussian government, Trotsky wrote:

¹ Leon Trotsky, 'Gegen den Nationalkommunismus: Lehren des "roten" Volksentscheids. Über Arbeiterkontrolle der Produktion' (A. Grylewicz: Berlin-Neukölln, Busendorfer Str. 23).

Whether the fascists along with the communists vote or not will lose any importance at the moment when the proletarian offensive crushes the fascists and takes power into its own hands. As a springboard one can use any board, including that of the referendum. One must just have the chance to actually jump, not in words but in deeds. The problem can be boiled down to the balance of forces. It is pure adventurism to go into the streets with the slogan 'down with the government of Brüning-Braun' when the balance of forces are such that only a Hugenberg-Hitler government can succeed it.

And on the balance of forces themselves Trotsky remarks elsewhere:

If Thälmann had the courage to tally up and weigh all the elements in the political situation, then he would be forced to come to the conclusion that, regardless of the enormous crisis of the capitalist system and of the substantial growth of Communism in the most recent period, the party is still too weak to push for a violent revolutionary solution. Conversely, the fascists are striving toward that goal. To that end they have the ready help of all the bourgeois parties, including Social Democracy. For the Communists fear them even more than the fascists. With the aid of the Prussian referendum, the National Socialists want to destroy the temporary balance of forces in the state in order to pressure the vacillating strata of the bourgeoisie to support them (the fascists) in their bloody judgment of the working class. From our point of view, helping the fascists would be the most stupid thing to do.²

² We can let the characterisation of Social Democracy as a helper of fascism stand in isolation, because elsewhere Trotsky demands that Thälmann adopt the following standpoint: To call the Social Democrats fascists is, naturally, a blunder that is confusing and makes it difficult to find a way to the Social Democratic workers. To reject this idiocy is the best thing we can do. But for that matter, if we simply want to seize power using the pretext of defending the working class and its organisations, we should tell the workers: yes, we Communists are striving to take power, but to do that we need to have the absolute majority of the working class. The attempt to seize power based on a minority would be contemptuous adventurism with which we have nothing in common. We cannot force the majority of the workers to go with us, we can only convince them. If the fascists crush the working class, then the conquest of power by the Communists also becomes a non-starter. To us, protecting the working class and its organisations from the fascists means securing the possibility of convincing the working class and leading it to our side. Therefore, we cannot come to power other than by protecting all elements of workers' democracy in the capitalist state, if necessary with arms.

One does not really need to add anything to these quotations to explain Social Democratic tactics with respect to the Brüning government. For if, given the impossible prerequisite of a uniform and united merger of social democratic and communist workers, the balance of forces within the working class itself is not sufficient to subjugate its opponents and seize power, the parliamentary overthrow of the Brüning government in league with and on the same battle front as Hitler and Hugenberg in no way represents a strengthening of the working class, but rather its weakening. For it would concede state power – over the Reichswehr and police – to the already strong National Socialists. Such a tactic to bring about this result really would be the opposite of revolutionary. Every expression of mockery and outrage with which Trotsky condemns the collusion of Communists with the fascist reactionaries in the Prussian referendum would be valid for the parliamentary cooperation of Social Democracy with the Harzburg Front and can be wielded with full justification against past and future Communist behaviour in the Reichstag. For the fall of Brüning paves the way for a right-wing government at the Reich level and in Prussia. It means the imposition of a right-wing government just at the moment of preparation for the upcoming election of the Reich President, the most important of imminent political decisions. The overthrow of the government by the Social Democratic left would push the Centre Party to the right and thereby destroy the last resistance in the bourgeois camp to fascism. It forges the reactionary block at the same moment in which nothing could be more important than hindering this combination.

There are strange politicians who believe they can reconcile themselves to such a development. Crisis and foreign policy negotiations make governance terribly difficult and unpopular. Would it not be desirable to take the National Socialists into the government, to force them to bear economic and political responsibility and thereby wear themselves out, to get them to exchange growing popularity for the unpopular burden of governing?

Those who make this argument unfortunately forget a small detail: the difference between a *parliamentary* and a *fascist* party. To wear themselves out, to become unpopular, to lose voters, these are the risks and dangers for a parliamentary party. To force a parliamentary opposition to take on responsibility can be the right tactic – Stresemann had carried out the experiment with the German Nationals – as long as the parliamentary system itself is secure and the final decision remains with the voters and is a certainty to them. To lose support and become unpopular does not mean the end of political power when parliament is swept away and no more elections occur. For responsibility ceases to be a danger when those to whom one should be responsible are excluded and powerless. To first place the fascists in power in the hope

that they will in the most non-fascistic way give it up again is no longer an experiment; it is an act of despair and capitulation because the outcome is certain.

It would not be any different if one imagined that the National Socialists sat in a coalition government that the Centre Party, after the fall of the current Reich government, would tolerate or actively support. Since no right-wing government could command a majority without the National Socialists and they, therefore, could set all the conditions, it is not likely that they would enter a Reich government without taking over the Reichswehr Ministry and a Prussian government without taking over the Ministry of the Interior with its control of the police. If that did occur, however, wouldn't the simple presence of National Socialist ministers in the Prussian and Reich governments be enough to abandon the police and army to the influence of unlimited National Socialist agitation? Could such a Reich government, even assuming the strength of the other partners to resist, be anything other than a short transition to a purely fascist government, which would shut down the parliament permanently and would seek to maintain its power with all means available to the state? And would the defensive power of the working class really be stronger if the freedom of the press and right to assemble were abolished and the workers' organisations could only continue to exist in secret?

If these reasons, which, since the elections have had undiminished influence on the politics, have to be examined anew, and if they encounter serious counterarguments, then it is the *politics of the government* – here we are speaking only of political and not economic considerations – that bear the guilt. We are thinking about the behaviour of the Reich government in the face of the increased activity of the National Socialist Party.

Recently, this party has begun activity in two fundamental spheres that go far beyond [the realm] of political agitation and that amounts to an attack on the sovereignty of the Reich. One area is that of foreign policy. Herr Hitler announced the pending overthrow of the Reich government and his pending assumption of power. He declares the Reich government unable to negotiate and sets about doing so himself with foreign powers. As the future head of government, he announces to foreign powers his basis for negotiation and devalues that of the established government, which is now in the midst of difficult negotiations. The government seeks to defend itself, and the Reich Chancellor responds to this usurpation clearly and energetically. As a first step this is fine. But does the overall position of the government really do what is necessary to meet the growing danger?

The danger to [our] foreign policy is great and should not be played down. Representatives of foreign powers see the weakness of bourgeois resistance to

Hitler's party. They hear Hitler's prophecies about the pending fall of the Reich government only too often confirmed by those 'leaders of the economy' whom they meet in their salons. And they do not understand the forbearance and the hesitation of a government denied the rights without which governance is impossible.

And there is something else. The French nationalists would view a right-wing government in Germany as a good opportunity. A Hitler government means that in the eyes of the world the French resistance to disarmament appears to be justified. The French representatives to the disarmament conference will be able to save their speeches; just pointing to the rightist German government will be enough. That the latter government also would be the result of French nationalism is an argument that will have little staying power. But apart from that concerns abroad naturally are growing stronger about making agreements with a government whose authority can be shaken in this way and the idea is spreading to draw out the negotiations until conditions become more transparent. The acceleration of the negotiations, however, is a vital interest of the German economy and of German politics, and the Reich government truly has as great an interest in the clarification of domestic power relations as do foreign countries.

The second area in which National Socialist activity increasingly represents an attack on the state's sovereignty is *military*. Its formations are growing beyond the parameters of a national army and are intended to form the cadres for a future fascist militia. It is already a party army and, moreover, the army of a party that openly opposes the constitution. This is incompatible in the long run with the rule of law, and the matter becomes completely impossible as soon as the party army, following the Italian model, becomes an element of the state after the seizure of power. If one also considers the preparations being made to carry out immediate changes in the bureaucracy in order to consolidate firm control over the civilian apparatus, then we are facing measures that make it incumbent upon the government not to just talk, but to take action. Because the government's economic policy imposes heavy sacrifices on the workers, heavier in their view than the economic crisis can justify, we can understand the question repeatedly raised in their ranks: what good is it to maintain a government that lets matters be driven [by others]? Isn't this being pushed around perhaps a greater danger than pure fascism?

If the question is answered negatively, then it is because one wants to give the government the opportunity to fulfil its duty in defence of the constitution; because one may not risk the existence of the Prussian government in this dangerous situation; and above all, because one does not want to actively

destroy the still weak dam and open the way for the flood itself. If the break in the dam comes, then those who bear the responsibility should bear the guilt for having missed the chance of strengthening it in time.

These general political considerations are what determined the decision of the [Reichstag] delegation. In addition, there was the insight that summoning the Reichstag and cancelling the Emergency Law would indeed inaugurate the political crisis, but it would not create the possibility of replacing the law with a better one. Cancelling the Emergency Law with the help of the Harzburg Front, the most socially reactionary group the Reichstag has ever known, would have been a transitory measure. Either the Brüning government – rather than resigning – would have elected to dissolve the Reichstag and renew the Emergency Law, or a rightist successor government would have issued a revised one with content even more detrimental to the working class. The summoning of the Reichstag on 14 September could have had only one political effect in this situation: the fall of the government and perhaps the dissolution of the Reichstag. Both would have intensified the economic crisis without creating any possibility of forming a functional majority in favour of a more positive outcome for the working class. Social Democracy's responsibility, therefore, was singly and solely focused on maintaining the government rather than on the content of the Emergency Law.

II

We have no intention today of providing an economic critique of the Emergency Law and its individual provisions. There will be ample opportunity for that later on, when the regulations, presumably long lasting and deeply embedded in economic life, have asserted themselves in their collision with the autonomous laws of the capitalist economy. Here we want only to examine a few considerations, which should explain how we have come to adopt these regulations.

The war, which was epochal for the economy and for politics, for the relations between states and nations, and for the relations of classes, also marks the beginning of a transformation in the bases and conceptions of law in capitalist society. There are two fundamental principles that broke through during the war: first the principle of the general interest, which came to be identified with an effective war effort and which was put before private interest. Thereupon, the private economy came to be broadly regulated with the type and scope of production and price formation prescribed by the state. The mighty power of the state triumphed over the powerlessness of the private sphere. The principle that the free play of forces and the pursuit of the private interests of individual producers would guarantee the highest level of productivity and

simultaneously ensure the general interest – in other words, the principle upon which the capitalist property and legal order rests – was abandoned in the war economy.

This disruption of capitalist consciousness started during the war and continued with the inflation. In Germany the inflation was not only a vast process of expropriation, but it was simultaneously a process that unpredictably and inestimably dragged individuals into its vortex and against which there was little possibility of defence or security. If the pressure of war and the hope for victory seemed to justify the wartime behaviour of the government, the inflation seemed to be the result of the state's capriciousness or powerlessness, which increasingly robbed money of its value. And it was the new state that was held responsible. The economic dissatisfaction changed into political opposition.

If the war economy had undermined the ideological bases of the capitalist legal system, the inflation contributed to the broad destruction of the economic foundations upon which the existence of broad, capitalistically-inclined strata had rested. In addition, the general feeling of insecurity and the unpredictability of all capitalist operations created an attitude of unrest and rebelliousness. Upon this basis radical currents of all sorts could develop.

Inflation in the warring states of Western Europe was nowhere as far advanced as in Germany; it was reversed in England, and in France it remained within bearable limits. The disruption of capitalist consciousness remained minimal in the Western European middle classes and was in the grip of a certain return to type until the onset of the world crisis. Matters were totally different in Germany, where the fight over reparations and crises repeatedly interrupted a rebuilding process limited and distorted by a shortage of capital, a feeling of insecurity that never disappeared, and renewed, disquieting fears of new disasters. The economic crisis struck a mental state which from the outset was ready to rebel against the whole 'system', against the state and the economy. The German disaster appeared, on the one hand, to be a consequence of the politics of 'hostile powers', which forced capital-poor Germany to pay ever more tribute, while on the other hand it seemed to be a result of the failure of capitalism, which seemed unable to hinder the repeated threat of impoverishment to all strata of bourgeois society. In German consciousness, capitalism was no longer the system resting on contractual freedom with equal rights for all – i.e., economic liberalism. It was, rather, an economy regulated by the state and for which the state was responsible. The failure of the economy was a failure of the state. If it could not create order, then it had to be formed anew. All economic need flowed into the desire for political change; it flowed into rebellion against the state.

The carriers of this movement are all the declassed and here the word is used not only in its economic but also in its psychological sense. It is all of those who not only feel economically insecure, disadvantaged, or set back, but also all those who see their social and political worth reduced. The rebellion comprises the dispossessed aristocrats and the top agricultural strata, whose leading position in the state is threatened, and whose dominant status in the countryside itself has been shaken since the abolition of the estate districts. It includes the peasants oppressed by the agrarian crisis and the burden of high interest rates; the intellectuals who fear the loss of their educational privilege; the bureaucracy which wants to fend off the encroachment of social and political elements alien to it; the employees who want to defend their special position compared to that of the workers; and, finally, the industrial and middle-class elements of all types, who seek to reverse or at least limit the rise of the working class. They are all united by nationalism, which promises to bring them liberation from tribute, and by a deep social aversion to the working class, which is characteristic for Germany and conditions the movement's specific, socially reactionary quality. It is, at the same time, this socially reactionary basic outlook which makes necessary the movement's anti-democratic and anti-parliamentary character, because the social advancement of the working class is the content of modern democracy.

Rebellion against capitalism, however, means something different for all these strata. It means the fight against the particular symptoms under which they especially suffer in the post-war period. That explains the disjointed, unclear, and contradictory elements of the National Socialist economic programme. It can only be reduced to a common denominator by greatly overvaluing a single phenomenon and then making it the central issue under which all or most suffer. One such obvious phenomenon is the growing burden of interest, which weighs down the middle class.

These are old ideas that return. The elimination of exploitation by loan capital, without touching on private property, on the monopoly ownership of the means of production, is the core of petty bourgeois, pre-scientific socialism, which arose in England after the Napoleonic Wars and, finally, due to Proudhon's influence, became significant for a time in France. Proudhon's idea of a people's bank, which would make interest-free credit available through the issuance of working money to every producer, returns in a confused form in Feder's working money, in his breaking of interest slavery.* Proudhon, the

* Here Hilferding is referring to the work of Gottfried Feder (1883–1941), who, in 1919, was one of the founding members of the German Workers' Party, which later became the National

author or reviver of the famous phrase 'Property is theft!', nevertheless would be surprised to see that the intellectual property of German National Socialism stems from his own intellectual property. And it seems perhaps a bit melancholic to see that the young Marx's famous work against Proudhon, *The Poverty of Philosophy*, was not able to prevent the poverty of demagoguery through which the content of the social reactionary outlook is achieved using socialist slogans.

There are, however, prerequisites, created by National Socialism, that explain the possibility of the Emergency Law in the first place. Martial law and inflation have left one thing untouched: the sanctity of the private contract. Martial law had not impacted private contracts; it only dissolved them under certain circumstances and had fully compensated those affected. The inflation had hollowed out the content of private contracts, but left the form intact. The last two emergency decrees, especially the one on subsidies for the large eastern estates (*Osthilfeverordnung*), go far beyond this. Whether based on public law or, as in the case of the eastern subsidies, on political calculation, they attack already established contracts the content of which they change or cancel without compensation for the injured party. According to the *Osthilfeverordnung*, the District Commissioner, in other words, a political official, can alter and reset established credit contracts on properties worth up to 40,000 marks, while the Minister can change the contracts on larger properties. He can impose delays for the payment of loan obligations, lower the amount of the principle itself, and determine the interest rate. It is the annihilation of private law, the expropriation of certain capitalist strata, justified by the demands of economic necessity and the commonweal. The last emergency decree went the same way except that the content of its changes were generally more exact and precise than that of the law for the eastern subsidies. But, in principle, one has taken a step breaking through capitalist law, which affirms private property without exception and on an equal basis, in favour of the real or perceived superior law of the whole society.

From a capitalist standpoint it is an unheard of procedure. The interventions in private rights which the bourgeois revolution had undertaken, and which

Socialist German Workers' Party under Adolf Hitler's leadership. Trained as an engineer, he later turned to political economy and focused his economic analysis on the domination of high finance and what he called 'interest slavery'. A co-author of the party program, he was able to insert a call for the abolition of interest into the text. Later an influential editor and member of the Reichstag, he fell out of favor and drifted into obscurity after 1933, when his ideas for reducing the power of big landlords and banks were deemed impractical by a regime that needed the support of the bankers and industrialists for rearmament.

eliminated personal privileges and served to create the equal rights of the liberal legal order, are not analogous to, but rather are the opposite of the current operation, which in reality must seem like capitalist Bolshevism to the defenders of the capitalist legal order.

However the government was not moved to take this action only by the mental state of a large part of the bourgeoisie, but also by the pressure of the crisis and its impact on the public finances. It believed it had to help the middle classes in ways that were as broad and sensational as possible, and would be felt by individuals to prevent them from completely falling prey to nationalist agitation. For the rural producers, who were economically and politically most threatened, the old methods were no longer viable. The tariff policy had already been exhausted; it failed to have an impact on the prices of the most important agricultural products, because it turned out that the prices had to adjust to the steadily sinking buying power of the urban population. The prices of meat, for example, continued to fall in the same period, because imports had become completely insignificant. To continue the effort to reduce debt by using public resources – taxes and loans – also became impossible due to the financial situation. If one could not effectively help using public means, then in fact there remained only the ruthless violation of private property and of the private contract, i.e., the expropriation of the creditors. Once carried out for the rural producers, then the same procedure for the urban middle classes was harder to avoid. If the burden of interest rates was unbearable for agriculture, then one could not leave untouched the rates that the urban landowners and businessmen had to pay. If one did not wish to generalise the domination of individual capriciousness characteristic of the *Osthilfeverordnung*, there remained only the route of imposing general economic controls in the sphere of credit and moving ahead with the intervention in the private legal realm following rules at least formally acceptable to all. And this controlled economy appeared possible at a time when rules applying to foreign exchange and the free movement of capital abroad have been almost completely eliminated, while at home the capital market has basically ceased to function as a result of the crisis.

At the same time one thereby gained the opportunity to take another necessity in which the government believed into consideration. Germany's foreign trade was greatly endangered by the currency chaos and the new protectionism. Defensive measures in the trade policy arena could, in a pinch, make it difficult for imports but could not secure the more important thing: the maintenance of exports. In addition, Germany's international position forces it to be politically cautious and to hold back in respect to defensive measures. Therefore the government has come up with the idea of increasing German exports by reducing the costs of production. Reducing production costs means, above

all, reducing wages. On the other hand, reducing wages means shrinking the demand for consumer goods, which in this stage of the crisis will not be compensated by demand for producer goods. That means an intensification of the crisis. Counterbalancing this impact to some degree could only be achieved by reducing the cost of living. To that end it appears that lowering the interest rate offers new possibilities. A reduction in the rate of interest allows the lowering of rents, even after the immediate abolition of the home interest tax proved impossible. It eases the burden on production and broadens the space for price reductions. And the government believed it could do all that without new strains on the public finances.

In this way a mechanism was created that, amidst the strongest interventions in the legal basis of capitalist society, satisfied the real and perceived interests of the intermediate capitalist strata. The new Emergency Law is as contradictory as the petty bourgeoisie itself. It attacks private property not to abolish it, but to reduce some of its consequences that oppress the petty bourgeoisie. It achieves its goals at the expense of the workers, for whom the fall in prices does not compensate wage cuts, and at the expense of the big bourgeoisie, for whom the ground upon which its society stands is being cut away.

Our most important tasks are to defend the damaged interests of the workers, to intensify the struggle to protect their living standard, and to heighten the defensive struggle against the fascist threat. It is not, however, our business to defend the legal bases of capitalism. Petty bourgeois socialism is in itself contradictory and transitory. Its partial victory was only possible at a time in which the economic and intellectual transformations of the war, of the inflation, and of the world crisis have undermined all of the pillars of bourgeois society in Germany. For scientific socialism, however, the enormous shocks to all the intellectual underpinnings of the capitalist system means a long-term gain for the future.

Rudolf Hilferding, 'Unter der Drohung des Faschismus' 1932, *Die Gesellschaft*, 9 (1): 1–12



Between Decisions (1933)

In the grandiose power struggle that has unfolded since the onset of the world economic crisis, German Social Democracy has led the fight for its own values, for the maintenance and expansion of democracy in Central and East-

ern Europe, and for the defeat of the social, political, and intellectual counterrevolution. In 1932 important provisional decisions occurred, which will substantially influence the final solution. It was the year in which German fascism reached its culmination on 13 August, the day that the Reich President refused Hitler's demand to hand over power and Hitler capitulated to the army's Commander-in-Chief. It is the climax of the drama – the year's first decisive turn ...

The presidential elections had occurred first. They did not bring Hitler to power. But the success was imposing and the political decision open. Hitler only lost because Hindenburg opposed him. Hindenburg – that was not a clear decision for the republic and democracy or even against fascism. Hindenburg's camp was not united. Only Social Democracy and the Centre voted out of pure political considerations. The rest, for whom the prevention of a fascist victory was imperative, voted according to personal sentiments. They were not total opponents of fascism. As far as political considerations played a role, these voters did not want one-man rule but preferred Hitler's participation in a government in which they shared control.

The fascist movement did not achieve complete victory, but its rise, as the elections to the Prussian Landtag and the Reichstag showed, was unchecked. But another thing was important. In case Hitler had won the presidency, the party had obviously made full preparations to enhance the so-to-speak democratically-achieved victory with immediate, violent, revolutionary action, properly considering that the fascist seizure of power must be followed immediately by the annihilation of opposition leaders and their organisations. The 'March on Rome' should be subsequently delivered after taking power legally using the democratic rules of the game. Due to the strength and resistance of Germany's worker organisations, German fascism failed to achieve what the Italian [fascists] were able to do even before conquering power: terrorising, weakening, or annihilating hostile organisations. So they were forced to adopt the tactic of legality, which contradicts the essence of fascism and sets it back time and again – since democracy in modern states in itself constitutes an element of greater stability and security for the state than any other constitution. But fascist legality – a contradiction in terms – ends on the day of the seizure of power, hence the tendency to complete the legal victory through a violent coup.

After the electoral defeat only a few acts of terror and bombings followed. These revealed the movement's real plans, but it did not dare to take power in a revolutionary way before it had achieved its goal legally. This revealed a weakness to the real power holders with long-term importance for later decisions. The strength of the state's power even against a party with the strongest and best-trained fighting formations had become clear.

The internal discord in the 'Hindenburg camp', the heterogeneity of the various groups who came together with the common purpose of preventing Hitler's election, and the dynamism of the fascist movement itself in its unstoppable advance will determine the next stages. The fascist-friendly, socially and politically reactionary portion of the transitory Hindenburg majority is pushing for an agreement with Hitler, and those who control state power and their immediate supporters, who had already gained autonomy under Brüning as the parliament became paralysed, consider the worrisome question: when will they have to give up power to the up and coming movement? Controlled fascism is the goal, i.e., an alliance of conservative and reactionary authorities with the mass movement, the unification of all those elements who feel declassed by the republic, who see themselves as dispossessed by the economic crisis, and believe themselves to be threatened by the workers in a system of democratic 'rule by the numbers'. Fascism should share the responsibility of governing in the most difficult moment of the economic crisis and that should limit its advance as a people's movement. The Brüning government, the last that can still exist without conflict with parliament, has been overthrown and a political adventure is now beginning whose final result is unforeseeable.

Hitler seeks to rule alone; the Brüning ministry is the first obstacle that has to be removed. His successor will be a placeholder. New elections should prove the legal route making the party's power decisive, the cancellation of the ban on armed fascist formations will give it the means of exercising revolutionary power, the unification of the Prussian police and administration with their Reich counterparts creates the most important prerequisite for the functions of a total state. Hitler agrees to these conditions. He promises his support and only through this promise does the Papen government come to life. The purely reactionary wing of the counterrevolutionary camp takes power alone. Herr Hitler lets it have the power in order to be able to organise the electoral victory and to legally strengthen his fighting forces.

La légalité le tue – Legality kills him.

Hitler disposes over the strongest party in the Reichstag with over a third of the mandates. More: the Reichstag is unable to function due to its three dictatorial parties, the National Socialists, the German Nationals, and the Communists; the 'system' has been annihilated, the Constitution cannot function, and Herr von Papen proclaims the facts: the new authoritarian state leadership is waiting for a fascist partner.

On 13 August Hitler stood before Hindenburg just as ten years ago Mussolini stood in front of the king. The German plays the same game as the Italian: Abdication of state power and its placement into fascist hands. From the Italian

tragedy comes the German satire. Hitler goes back down the steps – it is the collapse of fascism.

Hitler had himself helped Papen's government into the saddle and made his movement into a pedestal upon which the reaction could stand. Should it now capitulate to him? The class of Prussian Junkers, used to ruling, the top leaders of the bureaucracy, and the generals should now abandon the field without the pressure of a plebiscitary mass movement? Mussolini appeared before the king after the destruction of hostile organisations and after the March on Rome. And the king abdicated because the Italian generals demanded it. But the power of the German state remained intact, in no small way thanks to Hitler himself. To demand the results of the revolution without the revolution – this political construction could only arise in the brain of a German politician.

The beaten-down Hitler seeks to save himself anew through legality. But legality, that is now the struggle against all authority, against dictatorship, against National Socialism. It is the fight against the fascistic ideology and for the democratic one. *La légalité le tue*. With the second Reichstag election Hitler loses two million votes, the nimbus of irresistibility is destroyed, decline has set in.

The Papen government is the government of restoration. This was true from the outset and its conflict with the National Socialists intensified this view. It is completely isolated in the Reichstag, but its position in society is stronger than its expression in politics. It is an exponent of agrarian interests and, via tax vouchers, the shrinking of social and unemployment insurance outlays, and with the shredding of collective bargaining agreements it wins the backing of a large part of the bourgeoisie. The upper bureaucracy supports a government which promises to restore their threatened administrative monopoly with a struggle against 'party book officials'. And the leadership of the army uses it to protect its position as the decisive and dominant factor in a shattered political world. Its foreign and military policy wins it sympathy that earlier accrued only to the National Socialist outlook. But the policy of restoration quickly and thoroughly destroyed the basis of the social support the government had just built up, before it could be brought to bear politically. The agrarian dictatorship, under which it stands, is driving policy antagonisms between agriculture and industry to unbearable levels; its call for struggle against the working class creates rapidly growing agitation and embitterment, the extent of which is becoming dangerous; its power policy aims to shape the constitution along the lines of East Elbian centralism as it has never existed in Germany before and awakens the resistance of the state governments; its financial policy, particularly the lack of concern for the advan-

cing ruin of communal finances, sparks ever greater worries; and its adventurous foreign policy is poor preparation for the solution of Germany's economic problems, which anyway cannot be found without international cooperation.

And amidst all this the domestic crisis is intensified to undreamt of levels as the attempt to enlist the 'valuable, national, constructive elements' ended with their wild rebellion, which temporarily brings them to the Communists' side. The 'economy needs calm' and Herr von Papen has unleashed every source of unrest through his reckless diletantism. The second Reichstag election, whose full political significance only later became clear, showed the complete isolation of the government of restoration. It is collapsing in upon itself.

The way in which the crisis arose contains the conditions of its resolution. There appear to be three possibilities. First would be a return to parliamentary government. The Reich President demands that Hitler, as the presumptive Reich Chancellor, form a government based on a majority. This attempt will not be seriously undertaken. It would not fail due to the President's conditions, which are surely legally inadmissible, but due to the essence of a fascist party. Fascism consists of a collection (*Sammlung*) of socially, economically, and even ideologically very disparate elements aiming to conquer state power. In the opposition fascism promises the various groups that it will satisfy their antagonistic desires. In exercising power it must choose between the antagonistic interests. After the seizure of power, the social differences must blow up the unity of such a *Sammelpartei* if the individual groups want to effectively represent their political interests. Therefore, fascism can come to power, but it can only maintain it as an unrestricted dictatorship. As a fascist Hitler is right when he demands the complete and unrestricted exercise of power. But the power of German fascism in relation to the state has continued to slip since 13 August. The game of 13 August repeated itself and Hitler was beaten again. Under much less favourable circumstances he is again forced back to 'legality'. He must continue to play the role of a parliamentary opposition party. That forces him to the Communists' side. But a partnership with the Communists to exploit their parliamentary majority and overthrow the authoritarian presidential government is damaging to the fascist party. In alliance with the Communists it can keep the parliament paralysed, but at the same time it maintains the necessity of the 'Presidential Government', which it is too weak to overthrow using non-parliamentary means. If it wants to make parliament workable, however, then it must – either openly or in a camouflaged way – find a place in a parliamentary majority, it must assume responsibility for a policy of toleration or coalition in the secure anticipation that the antagonisms in its ranks will gradually have their explosive effects.

This is the dilemma that is illustrated in the struggle between Straßer and Hitler,* the effects of which are expressed in all elections with almost surprising strength.

The second possibility was to retain the Papen government. It would have meant attempting to continue along the path of restoration, which would have led to a break with the constitution, which would have resulted in the confluence of the popular masses into one rebellious and revolutionary mass and pushed the crisis of the state to a head. Those in power, the generals and the upper bureaucracy, drew back from that and were able to push through their own perspective against the representative of state power, the Reich President, who, misjudging the situation, had stuck with Papen. Thus, the crisis was resolved through the formation of the Schleicher government.

The fall of Papen is a victory of the people's movement against him. It was not a democratic success in the sense that the political parties that support the constitution were strong enough to sweep away this government. It was, however, a democratic success because this government broke on the resistance of the broad masses and the complete absence of any mass base. It was a victory of the demos against absolutism, but the victory could not be followed up because the antagonisms among its forces could only be bridged for a moment in the struggle against the government.

Nevertheless, the fall of Papen proved that a government of restoration is no longer possible in Germany. Its disappearance had at the same time marked the success of the policy supported by Hugenberg, who believed he was poised before victory. Above all it showed that even the autonomous power of the state cannot make policy against the people and in this sense Papen's fall was a victory of democratic forces.

That is shown also in the behaviour of the Schleicher government. It is attempting to liquidate the politics of restoration. It is abandoning the reform of the constitution and the worst social and political measures; it abolished the special courts and granted an amnesty. That it consists in part of the same people who were co-responsible for the policy of restoration makes the

* Hilferding is referring here to a rift that developed between Hitler, who insisted on entering the government only if granted the Chancellorship, and Gregor Straßer (1892–1934), one of the most popular and successful Nazi organisers, who feared the party's breakup if it kept waiting to enter the government. The dispute came to a head in December 1933, when the new Chancellor, General von Schleicher, offered Straßer the Vice-Chancellorship in an effort to co-opt a part of the Nazi constituency for his government. Hitler, enraged, blocked this move and Straßer resigned from his party offices. Hitler later had him killed during the 'Blood Purge' of 30 June 1934.

change more noticeable and shows that it is grounded in the objective conditions that led to Papen's fall.

The Schleicher government's relationship to the Reichstag is somewhat analogous to that of the authoritarian state of the Kaiser's time. The decisions of the Reichstag are not decisive for the government's fate. In case of a conflict the Reichstag is the politically weaker institution, against which government force will attempt to assert itself. Social Democracy stands in opposition to the authoritarian government. The idea of parliamentary toleration is already absurd because all the prerequisites for that are absent. Communists and National Socialists dispose over a majority for a vote of no confidence and for the abolition of the Emergency Laws. Toleration or cooperation is not a consideration for Social Democracy, but rather for the National Socialists.

The political problem is not exhausted, however, with opposition to the Presidential Government. The situation is not as simple as at the time when the liberal bourgeoisie had fought against absolutism and for the parliamentary system. The presidential governments in Germany are only possible because the parties of dictatorship, the National Socialists, the German Nationals, and the Communists have put the parliament out of action. The struggle against the presidential government must also be tied to the struggle for a functional parliament, and that requires a fight against the parties of dictatorship. For the presidential governments are a secondary matter, the primary thing is the paralysis of parliament.

For Social Democracy we are talking about a fundamental struggle with the Communists. For this reason the slogan calling for a united front, which made sense in the early post-war years at a time of Social Democratic superiority and the unchallenged authority of the trade unions, will fail and can only sow confusion. The Communists seek to unite the labour movement on a revolutionary basis for the immediate revolutionary action of seizing power. To that end they need the subordination of the workers to the authority of the revolutionary vanguard, the Communist leadership. Unity presumes the subjection of the social democratic masses under its leadership, the destruction of Social Democracy, of its essence, and of its organisational independence. When we Social Democrats talk about unity, we are thinking of the unity of the workers' movement in its struggle for goals that it arrived at through democratic self-determination. The same words have a wholly different meaning. But to get mixed up in pseudo-revolutionary actions in the current situation means to help fascism to a secure victory, a game which, from the beginning, we have to lose because it will end not in revolution but in counterrevolution.

The job is not easy. It rubs the worker the wrong way to lead the struggle against comrades from his own class and this is true above all in the face of the fascist danger, which demands nothing more urgent than the unity of proletarian action. But fulfilling this task is imperative because the tactics of the Communist leadership are paralysing the working class's ability to act both inside and outside of parliament. For the constantly repeated efforts to exploit the 'united front' to unmask the Social Democratic leadership, to contrast the 'genuine revolutionary outlook' of the Communists with the 'betrayal of the Social Democrats', naturally transforms any extra-parliamentary action into the adventurism of a putsch. Therefore, the fundamental fight against the Communists and the struggle for the Communist workers is only the other side of the struggle against the presidential government, of the struggle to re-conquer democracy, which newly conquered and secured, truly becomes the battleground upon which the working class can achieve its goals.

Meanwhile the political situation remains unstable and uncertain. Like its predecessor, the Schleicher government could lose its position trying to solve the problems caused by the economic crisis, and the danger, already present at the time of Papen's government, of seeking salvation by handing over power to the fascists, could arise anew. It is a general characteristic of the times that there is a kind of race between the economic crisis running its course and the ebbing of the political rebellion the crisis created. It remains uncertain whether the crisis will end before the rebellion has gone its way.

Thus we stand between decisions. Apparently poised to take power, the fascist movement in Germany has been kept at bay thanks to Social Democracy's tactics. The toleration policy avoided unifying the bourgeoisie into one reactionary mass under fascist leadership and blocked the entrance of the fascists into the government during their ascent. The same tactic kept the Centre in opposition against the restoration government and robbed the latter of the support of the only well-knit bourgeois party. The National Socialists, however, are condemned to legality, which leaves them only the choice of accelerating their decline as a member serving in a bourgeois block, or not quite escaping it in an opposition that disappoints supporters waiting impatiently for salvation. It is the onset of decline that reduces the danger of a compromise between Hitler and Schleicher, because the declining party has less of a chance of driving its coalition partners out of the government than the one on the rise.

This is the way recent decisions against fascism and against the restoration have been made. Political development will take on its final form, however, in the wake of economic events.

Rudolf Hilferding, 'Zwischen den Entscheidungen' 1933, *Die Gesellschaft*, 10 (1): 1–9.



Revolutionary Socialism (1934)

On 28 January the Executive Committee of German Social Democracy published a programmatic declaration, 'The Struggle and Aim of Revolutionary Socialism: The Politics of the German Social Democratic Party', in their Prague weekly *Neuer Vorwärts*.

The document seems to us to be of considerable importance both because of its content and because of the method through which the content was obtained. The content is the radical break with reformism, the proclamation of the conquest of power through revolutionary struggle, and the assertion and consolidation of power with revolutionary means in order to carry out the socialist transformation of the society. The method, however, is the attempt to determine the tactics and aims of the struggle not through ready-made formulas already regarded as correct, but rather to ascertain them from the objective situation, from the objective conditions, in other words from the constantly renewed Marxist analysis of the facts. Because only then can insight into the objective requirements of the type of struggle and its outcome replace subjective opinions and wishful thinking and objectives. Far from being fatalistic, this way of knowing intensifies the revolutionary will and activity, while the newly gained insight pervades the consciousness of the fighters and their confidence in victory, which the knowledge of the correct path bestows.

We want to say a few things here about this method.

I

The attempt to perceive the dynamics of future development runs into two difficulties. One is of the subjective type: not a few Marxists succumb to the danger of schematically simplifying an historical event, which is extraordinarily complicated by received ideas and by the diverse interests of the layered classes and strata in a variously structured modern society. Often a single economic moment alone is emphasised or the economic aspect alone is stressed, while its necessary 'translation in people's heads', in the consciousness of classes and strata moved by a diverse variety of ideas, is neglected. By overemphasising the economy, essential, and for politics decisive, historical agents are plunged all too deeply into the shadows.

Now, fascism does not fundamentally change the capitalist economy, despite the significant dislocations it creates through the oppression of workers' organisations and through its stronger consideration of the demands of the peasants and of the middle class. The full fury and force of its destructive power hits the intellectual sphere, the 'superstructure'. The modern dictatorship, which can only be total or else cannot exist at all, through conscious and wilful barbarism denies the development that has taken European humanity from the limitations of the middle ages to the free unfolding of the personality through intellectual, moral, and political self-determination. And this development was most difficult, and precisely for that reason most significant, in the modern working class. Hence, it was the labour movement's greatest cultural achievement. The fascists aim 'to kill this spirit, brothers'.*

That is the sphere we are talking about. This is how fascism has put the question. But can this be the Marxist formulation of the question? Must not its answer simply be: when we overthrow capitalism, eliminate the classes and class domination, then freedom will arise of its own accord, in a way that to some degree follows the conceptions of a primitive natural materialism that thought is the waste product of chemical and physical changes in the brain. To us it is also about freedom. But it can only be achieved through the realisation of socialism. In capitalism there is no freedom or there is only 'formal' freedom. Equality before the law is not freedom with content, i.e., the equality of living conditions and opportunity for advancement.

The value of freedom is affirmed, therefore, in the sense that socialism is also the means not the end; it is the means to make possible in freedom the ever greater sharing out of cultural goods among the whole people, and no Marxist needs to be reminded that only socialism can realise this condition.

But that does not answer the decisive question of how means and ends relate to one another. Should or must one suspend the goal – freedom – of course only temporarily, in order initially to realise the means – socialism?

Two comments are imperative. First, a matter of principle: the Marxist conception of history attributes the content of respective historical ideas to social relations and the interests that spring from them. It makes the historical conditionality of the realisation of ideas into the object of research. But it does not in any way disparage the value of ideas. That the ideas of freedom, of equality, or of solidarity could emerge only under certain social conditions does not

* As noted in the introduction, Friedrich Adler, furious about Social Democracy's wartime politics, assassinated the Austrian Minister President Count Karl von Stürgkh in 1916. His trial a year later was a sensation. Hilferding's quotation here plays on Adler's assertion before the court that 'you don't kill the spirit, brothers'.

change the fact that, once established, they assert their own value for which men are willing to live and to die. And the revelation that, under changed circumstances, former adherents betray their ideas says nothing about the value of ideas as such, only about the conditionality of their implementation. The fact that the bourgeois classes betrayed the idea of freedom proves nothing against the value of freedom. It is a deformation of Marxism, if one, to put it crudely, disparages ideas and the struggle over ideas as a swindle or, to put it more scientifically, 'relativises' them. Some German Marxists have not avoided this danger. The rigid and, at the same time, matter-of-fact, transparent relations of domination in the authoritarian state were unfavourable for political and intellectual struggles. Initially restricted by the Anti-Socialist Law, then tangled up in a costly mini-war with the police authorities, and then standing alone against a state backed by a large majority, Social Democracy was not in a position to unleash great political mass struggles. The struggle for humanity and for the working class largely remained abstract. What was concrete were the trade union and parliamentary struggles for improving living standards and for social reform. The ideology was radical, revolutionary; practice was reformist – to the point of political abstinence. It was a contradiction arising from the superiority of the opponent, but psychologically it was not felt as such. It was, rather, bridged over by the expectation that economic development and the growth of the proletariat would cause a change in the balance of power that would make the conquest of the state possible. The decision seemed to be an issue of simple, direct power; power defined concretely in terms of the military, the police, and capital.

This simplification also affected consciousness. Bismarck's primitive theory of violence, the blood and iron theory, rubbed off – in some German heads Marxism became, so-to-speak, Bismarckism. In practice, however, it led to a retreat from the fight for the 'merely' political, from the readiness for major confrontations that did not immediately concern the final goal of socialism. Instead it led to the danger of transforming a party that was revolutionary in its intellectual, political, and social goals into an economic party of the working class within the established society.

Russian conditions, though circumstances were very different, led to the similar outcome of making disdainful the proud tradition through which the modern working class became the inheritor of the great intellectual developments of modern times. To view Marxism as only the struggle for the material basis, but not as a struggle linked to the fight for ideas, is only a misunderstanding.

Secondly, however, the connection between socialism and political freedom is not at all as clear as it might appear to the supporters of dictatorship.

Certainly, this should be a momentary condition, an 'educational dictatorship', which should only last until the enemies of the new state and the new society are educated to be useful or harmless members of the community. But *who makes assurances for the education of the dictators?*

Who will guarantee that amid all the great difficulties of the transition period the dictatorship *does not transform itself into a dictatorship against the working class*? Who will ensure that the force is available to conquer freedom against the dictatorial state? Who, finally, can guarantee – and that is the greatest danger – that a working class would even commit itself to freedom if, during the really great struggles, freedom was not a concrete goal, but seemed to be a distant outcome of a reorganised economy, or if it appeared to the working class as a danger to its recent gains? There can be many objections to the example of Bolshevism, but the fact is that even internally the Russian party agrees with dictatorship. Even within the party there is no democracy, never mind in the so-called workers' democracy.

We could continue this discussion but we fear that the prospect of convincing opponents would not be very great. The one, like the other, will continue to bring their demand to the revolutionary movement. According to one, after the victory socialism is to be achieved under a democratic constitution, according to the other under a dictatorship. And this fight about what should happen after the victory appears to be significant enough to those involved to keep the German workers' movement divided and thus to make the road to victory as difficult as possible.

II

To smooth over the conflict we must leave the field of subjective considerations. We must strive to research the *objective conditions* of the labour movement in the areas under fascist domination. The difficulties are so great, because we have no experience with the dynamic of such a development. The totality of state power, which has utterly absorbed all other organisations of society – both those that are self-governing and those in the economy – into the centralised state organisation, is a hitherto unheard of phenomenon. The time of the highest degree of organisational development has been followed, under fascist oppression, by a time of the complete atomisation of people. How can a labour movement unfold under such conditions? What methods of struggle can it use and what are the goals of its struggle?

One must understand first of all that the victory of fascism has brought the German – and also the Italian labour movement – into a *fundamentally new position*. The enemy prescribes its methods of struggle, and the political struggle of the German socialists is just as different from those of socialist

parties in other countries as the dictatorships of Hitler and Mussolini are from French, English, and Danish methods of governance. There is no more room for any kind of reformism, because reformism presumes at least the possibility of legal activity. The German struggle can only be a revolutionary one in the full, direct, and narrow meaning of the term: Fight with all means for the goal of a revolutionary seizure of power and the complete annihilation of fascism. Everything is at all times – in peace and in war – subordinate to this goal, because only in this way can the freedom of German workers be realised. There can be no other form of political movement for the German workers' movement and there can be no other attitude than a revolutionary one.

But we are not even free to choose our means. In the current phase our first task is to establish and expand centres of illegal organisation. Our opponent largely has forced the type of organisation upon us. Russian Social Democracy split into Menshevik and Bolshevik factions on the issue of organisational form. The Mensheviks had the goal of the largest possible mass organisation, the Bolsheviks wanted to create small circles, which should comprise the revolutionary elite. All Social Democrats – here Rosa Luxemburg was especially impressive – supported the mass organisation, which was possible in the shattered Tsarist state structure. For us this debate does not exist – at least today. Not only the much stronger state power and the monstrosity of its brutality, but also the momentary condition of German society, in which every other person is a spy or willing helper of the regime, limits the possibility of organisation to the smallest groups and forces them to be broadly decentralised and to conspire in the most cautious, strictly disciplined manner. Only the shaking of the fascist system by the disappointed masses will broaden the possibilities and create the possibility of building organisations to influence the masses.

That is certainly a bitter conclusion, for it not only shows the narrowness of our possibilities for action but at the same time it also illustrates other difficulties and dangers. These small circles feel themselves – and rightly so given their willingness to sacrifice and their bravery – to be an elite. They claim the sole validity of the organisational form that they have chosen and for their conception they make claims to leadership. If the unavoidable division of labour in Germany itself is to overcome this fragmentation, then these centres must receive their unifying bond from abroad.

That is the first and at the moment the most important task of the revolutionary leadership abroad. It must support the centres it has encouraged or which arose spontaneously with all available means. It must find the forms which prove most effective and advise against the others. It must make the learned experience usable for the revolutionary struggle in constant close contact and cooperation with the leaders of the illegal work in Germany.

III

The clear recognition of the uncompromising revolutionary situation and of the means of struggle it demands is an important part of our Prague manifesto. But how does it portray the dynamics of the struggle and the goals that can be derived from them?

Through the suppression of their organisations, the dictatorship has delivered the workers to the arbitrary power of capital. This one-sided shift in the balance of power threatens the working class with the progressive decline of its living standard. That forces the masses to fight to secure and improve their material existence. But every movement in wages is forbidden and every strike becomes a political rebellion. From this situation the demand will necessarily arise for the re-establishment of the right to organise and to create organisations for workers' struggle. The right to organise is not feasible without assembly, association, and press freedoms. From these undeniable needs of the working class arises *the demand for political rights*; from it springs the struggle for their democratic freedom of movement. Its achievement becomes a necessity in order to make a labour movement as a mass movement possible again. Every democratic right becomes a threat to the dictatorship. Thus the fight for democracy broadens into a fight for the complete defeat of National Socialist rule; it becomes a fight for the *conquest of state power*.

The struggle for democratic rights does not appear here as an arbitrary demand, as a claim to validate an already established school of thought. It arises out of the situation of the workers, out of the conditions of their inevitable struggles. The fight for democracy is at no point ever an end in itself. It expands – again with compulsive necessity – into the overthrow of fascist power and the conquest of the state. Democracy conquered in this way is not the basis, the 'best ground', upon which the class struggles between capital and labour and the political struggles between Social Democracy and the bourgeois parties can begin again in the form in which they took place before the fascist victory in the Weimar Republic. The victory of democracy is only possible after the National Socialist dictatorship is overthrown in difficult struggle and the opponents of fascism have gained the upper hand in civil war. The way of conquering power determines its exercise. Through its conquest in a victorious revolution, democracy experiences a complete change of function. State power is transferred to a strong revolutionary government, which, borne and controlled by a victorious, revolutionary mass party, has to secure the state's power for the victorious revolution and to transform the state apparatus into an instrument of mass rule.

It is a noteworthy matter that most people view political forms in isolation, detached from their becoming, detached from the social circumstances from

which they emerge. And yet simple experience tells us that, for example, the equal franchise, conquered after long struggles, had other effects than the same franchise imposed by a firmly entrenched, reactionary government. And now so many are shaken by the fear that democracy, which had failed to halt the victory of fascism, could for a second time cost the working class the fruit of its victory if it returns to democracy.

Very simple and therefore convincing to some, this viewpoint completely forgets the complete change of function democracy experiences in a victorious revolution. The political shift of 1918 occurred at the end of a counter-revolutionary development. It was not the organised revolutionary struggle of the working class, but the defeat on the battlefield that swept away the regime. 'Facing no resistance, Social Democracy took over the leadership of the state, which from the outset it shared with the bourgeois parties, the old bureaucracy, and with the reorganised state apparatus. That it took over a state apparatus unchanged was the severe historical mistake made in war-time by a disoriented German labour movement'. So it reads in the manifesto.

Can anyone imagine that a repetition of such a situation is possible? Would that not mean completely underestimating the necessary dynamic of a genuine revolution? The revolutionary government that emerges from civil war has tasks assigned to it by the same force of history that carried it to power: the destruction of the hostile state, the condemnation of state criminals by revolutionary courts, the purging of the bureaucracy, the courts, and the military, occupation of all important posts by trusted agents of the government, the securing of the revolution against the social bearers of reaction, therefore the expropriation without compensation of large estates and of heavy industry, the government seizure of the Reichsbank and of the big banks and their administration by the state. That will be the government's minimum programme, its first measures, which will not need elections for legitimacy, because its existence proves that behind it stands the will of the vast majority of the active and battle-ready people, which had achieved the revolution.

If the new state is secure, the opponents crushed, and the state apparatus and most important economic posts are in the hands of the government, what should be the content of the dictatorship? It contains within itself the danger of becoming a dictatorship against the working class and of building a socialism which perhaps would mean a somewhat improved living standard, but certainly not a higher development of culture, and would be very far from the *Communist Manifesto's* goals of 'free association' and the abolition of the old antagonism between the state and society.

IV

This was not the place to provide a detailed and comprehensive analysis of the content of the manifesto. We hope its reasoning and goals will provide the occasion for detailed discussion and self-reflection. This essay aimed to direct attention to the research method used to find the results, which surely are subject to criticism and need filling out. But we think the method is fruitful, because it alone is capable of freeing us all, regardless of where we stood in the labour movement before the disaster, from what is useless, formulaic rubbish inherited from another situation. That is the precondition not only for new knowledge, but also for successful action. In reality all the reasons for the split in the labour movement have become void. The conditions under which the struggle against fascism must be led make every fighter into an equal revolutionary and in the course of the struggle they will all articulate the same goals. The unity of the working class, which perhaps would have changed the course of history, now becomes an iron necessity of history. The overthrow of fascism is still a terribly difficult task even for a working class united in struggle. Whoever interferes with this unity of revolutionary action for the sake of orthodox demands is not a revolutionary but an accomplice of fascism.

Richard Kern (Rudolf Hilferding), 'Revolutionärer Sozialismus' 1934 *Zeitschrift für Sozialismus*, 1 (5): 145–52.

Karl Renner

Some Experiences of Practical Class Struggle (1928)

To me, learning from experiences is a political skill for which the proletariat must strive. Politics is the art of taking action. I would like to let experience speak about the tactical questions with which the Austrian working class is now concerned. I have no intention in this limited space of replacing Max Adler's scholastic theory of the state with another one that also introduces the economy, which of course must be the case with a theory that calls upon Marx and would really be Marxist. I intend to illustrate to thinking workers experiences that the European, and especially the German, proletariat has had, and to derive from these experiences not theoretical teachings but *conclusions for practical action*. Nevertheless, my point of departure is my basic understanding of Marx's system.

1. It is not our consciousness that determines our being, but on the contrary, our being that determines consciousness. This sentence is fundamental to Marxism. When applied to the concrete movement of the working class, it means, above all, that it is futile through propaganda and education, and through permeating the thought of the working class with the so-called ideology of socialism, to achieve political effects beyond the measure of what is economically possible in a given period.

In opposition to this Marxist thesis, however, is the experience that a class-conscious working class imbued with the ideas of socialism can take action with much less friction and much more success within the framework of the possible. That illustrates, above all, the value of educational work. At the same time, next to the thesis of the primacy of economic relations in the historical progress of the working class, the antithesis asserts itself of the great importance of the psychological factor in class-consciousness.

But this antithesis does not transcend the basic obstacle to all proletarian mass action: the existence of the working class is determined above all by the concrete economic situation of the working class on the spot and at the time. As it is throughout the world, so it is in every individual country. The policy of the working class, therefore, is determined and limited by the experience of the given economic possibilities of a country at the time.

2. The concrete question of what the political possibilities are for a country's working class cannot be answered satisfactorily with the mouldy 'relation of

the bourgeoisie to the proletariat and class struggle between the two', but rather by concretely ascertaining the economic structure of capitalism in the country. Is it, for example, dominated primarily by landed property, industrial capital, merchant capital or bank capital ... the big bourgeoisie, the petty bourgeoisie, and the peasantry next to the proletariat, and what is the degree of economic concentration of each of these property-owning groups?

The following examples might serve to illustrate the point. A country in which property ownership in land is largely intact (Hungary) does not provide even the most unified proletariat with the possibilities for action like a country in which industrial capital predominates (Austria). Thus there is no tactical prescription that would be beneficial in both countries in the same way. One country of land-hungry peasants, like Tsarist Russia, provides other opportunities than a country of peasants that has plenty of land but suffers from a labour shortage, like contemporary Austria. The prescription that would probably be right for Russia would be poison for us. An advanced capitalist country, however, in which merchant and bank capital are dominant rather than industry, such as Holland, provides the proletariat with far fewer points of attack than an industrial country like Belgium. That is why, despite the closeness of neighbours, the movement takes such different forms!

In short: The general schema of class struggle provides an orientation that is much too superficial to be of value in resolving the tactical questions of an individual country. Instead it leads to errors, because it yields the same tactical rules without differentiating their concrete applicability, and in most cases it leads to fateful mistakes regarding what is politically possible. Not infrequently it leads to devastating catastrophes. (See Hungary.)

3. But the economic particulars of a country do not enter unmediated into the consciousness of economically active people. For example, the same class situation that leads a worker in the Rhineland to Social Democracy leads another into the Christian workers' movement, whereby, in responding to daily concrete problems it would be completely wrong to see in the latter the result of poorly instructed individuals. In the German Empire, Social Democracy is sixty years old – only a few years younger than Ketteler's Catholic journeymen's movement. Sixty years is a long time for a 'transition' or a 'torturous path' and shows that propaganda alone does not suffice. Obviously here the old, real, economic essence somehow stands in the way of the new consciousness.

With the same *economic foundation* state and legal conditions make an enormous *difference* in the relationship between the bourgeoisie and the proletariat ... and a country with one and the same economy can have opposing

state forms (for example: France was an empire in 1869 and a republic in 1871; Italy was a constitutional state in 1921 and a fascist dictatorship in 1926).

This is not the place to explain how, despite Marx, it is possible that very different, even opposite, superstructures (the state, law) can arise upon the same economic base. This contradiction does not in the least speak against Marx when it is considered historically rather than dogmatically. *But it exists.* It exists in space and time for years and decades.

That is only one of the many major experiences that the proletariat has had in the 45 years since Marx's death in its fight for political rights and freedoms:

The difference is enormous if a proletariat lives under different forms of the state such as a dictatorship or a democracy, a monarchy or a republic!

The *possibilities for struggle* are totally different. The *forms of struggle* are totally different. The goals also differ *that must be set every day*. Of course the final goal remains the same, but it is meaningless to talk about it and, worse yet, it leads away from the problem of action.

That takes us then to the thesis: *The superstructure of the state transforms the motives, methods, and the goals of class struggles.*

The current situation of the proletariat in Italy and Hungary compared to Austria serves as an illustrative example.

The state in all its forms ... has assumed immeasurable importance for the proletariat. This is not theory, but [the result of] personal, literal, first-hand experience. It is not worth engaging in a polemic with those who do not recognise that.

4. The state in all its forms and functions. Concerning the form: all theoretical objections are pointless against the fact that generations of workers have already sacrificed their lifeblood for the 'bourgeois republic', and today, for example in Italy, they are again prepared for sacrifice if only there were a promising way [forward]. Generations of Austrian workers have fought in the streets of all the cities for universal suffrage – for this one part of democracy! And concerning the functions of the state: year-in and year-out the workers of all countries in which they have the good fortune to be able to influence law-making engage in legislative struggle in parliaments, state assemblies, and city governments ...

It is simply scholastic hair-splitting to demand from the workers that they should deny the state in principle as 'bourgeois', while they actually are fighting with all their political volition over every form and function of this state. A glance at all the European states shows us that this struggle is the most concrete of all empirical facts.

What kind of theory would it be if, instead of having the existence and action of the working class as its point of departure, to bring order to experiences

and to systematise them, as every science does, [we had a theory] that stood in complete contradiction to experience in the world and to the whole history of the movement. *Vitae lampada tradunt* – the sciences pass on the torch of life. They illuminate the way for struggling humanity – but they don't deny it. They lend knowledge to enthusiasm and thereby increase it, but they don't undermine élan when they malign pathways and scale back goals. It does not matter for daily praxis that this scaling back occurs in the name of a higher goal that is, as yet, unreachable, and for which practical decisions are not yet noticeably relevant. Human action proceeds above all empirically.

5. The main point, however, is this: Because the legal position of the working class in the state is very different from one country to another, this legal position forms and transforms methods of class struggle. Thus the problems of class struggle from one country to the next are enormously varied.

As long as the working class of a country has no access to the franchise or to social legislation, as, say, the example of Belgium in 1890 illustrates, the class struggle is limited to the shortening of the working day to eight hours and to the economic struggles of the trade unions. At the same time it is politically transformed in the passion of the struggle for universal suffrage and this political goal fuses all the desires for economic details together. If a country already legally has the eight-hour day, then, as experience teaches, the working class must continue to fight for it. The struggle is, on the one side, purely parliamentary (against a change in the law), and on the other side a purely legal one against changes to the law and is fought out by union secretaries primarily before commercial courts. The fight becomes a struggle over law.

6. 'Theoretical purists' ignore historical change in the class struggle in absurd ways.

Looking back, let us observe development after Lassalle's Open Letter* of 1863, which with 'consuming exclusivity' demanded universal suffrage and the association of the producers with the help of the state. For 65 years after this advance the European working class fought unremittingly on all economic, political, and intellectual battlefields. The fruit of this struggle, aside from Bismarck's gift of the franchise, is, on the one hand, a progressive expansion

* Ferdinand Lassalle (1825–64) was one of the founders of the German labour movement. In response to a request from workers in Leipzig, he published an 'Open Letter' explaining his theory of the 'iron law of wages' and the relationship of the workers' movement to the state. See Ferdinand Lassalle, 'Offenes Antwortschreiben', in Friedrich Jenaczek, ed., *Ferdinand Lassalle. Reden und Schriften* (Munich: Deutschen Taschenbuch Verlag, 1970), pp. 170–202.

of the suffrage to all on an equal basis, thus the gradual penetration of the bourgeois state, and, on the other hand, a step-by-step conquest of economic and social rights and freedoms, which the bourgeois state incorporates into its legislation, administration, and courts. Let's look at the details.

At the beginning of this development the police still passed judgment on the largest part of the population without law or procedures. Today there are *state* rights for workers and commercial courts. What we today call social administration was carried out to a miserable degree at the beginning by the Interior Minister as *Minister of the Police*. Today, most federal states have Ministries for Social Administration with an expanded apparatus. The way this process of anchoring the working class in the state advances is illustrated in another example. We see how the working class, initially in economic struggle, from strike to strike, subject to arbitrary revocation and thus very precariously, shortened the working day and won the right to have shop stewards, etc., until the political-legal battle in parliament embedded the tentative day-to-day achievements in the law of the land. In other words they were fixed in law, implemented by the administration, and secured by the courts.

The experience of a half-century – the social legislation of all European states occurred only after Marx's death – has taught the working class purely through experience to use the 'bourgeois state' as its own means of protection. And since the first congress of the Second International, which demanded legal protections for workers in all states, and hence the protection of the 'bourgeois' state, the perception that was self-evident for Bebel – though it was for a long time more troubling to Wilhelm Liebknecht – that working-class influence on the state was of immeasurable importance, has become self-evident to the European working class with the exception of a few socialist theorists from 1848.

7. Social Democracy dates itself from the *Communist Manifesto*; in Germany it goes back to Lassalle's reply of 1863. The movement has aged and over the decades it has made progress and changed. One must say openly that it has become so old that a space has developed within it for a reactionary outlook that in every respect is backward and regressive. [It is] a dogmatic and scholastic degeneration that treats the writings of our ancestors like a holy zealot would treat those of the church fathers or the Talmud, and it does not want to concede that the progress of the party of the proletariat is a dialectical development. Thus in Marx's name the core of Marxism, *dialectical development*, is absent! In my view, the typical representative of this reactionary and scholastic viewpoint is Max Adler. Whoever considers for a moment that, during Marx's lifetime, the proletariat had no state power worth mentioning

in any country in any corner of the globe, that it did not participate in the state anywhere, that in his time universal suffrage in France and Germany was misused in a Bonapartist swindle, and that Marx was unfamiliar with any sort of expansive legislative protection for workers or with social legislation;¹ and whoever compares that to workers' current legal situation in almost all the great civilised states, makes palpable that the tactical situation of the working class in relation to the state has transformed itself over the past fifty years into its dialectical opposite. Whoever doesn't get that might be a clairvoyant when it comes to the wisdom of books, but he is blind when it comes to the facts.

8. Meanwhile let's continue with the analysis of class struggle. The political and civil condition of a country reshapes economic forces into legal ones. In Tsarist Russia before 1905 the bourgeoisie was able to possess enormous economic power, but it did not possess any legally grounded political power. In Bismarck's German Empire the legal power of the landholding aristocracy was much greater than its economic power. The economic power of the working class was not reduced at the time of the Socialist Law, but its political power was temporarily broken in spite of universal suffrage. Thanks to the republic and its concrete institutions, *the legal power of the Austrian working class is at least equal to its real economic power, and it is one of the great advantages of democracy that the real relations of power are reproduced in halfway correct manner as legal power.* That guards against disappointments that could be fateful for any class, but most of all to the working class.

Within democracy itself, however, in concrete countries at certain times, contradictions between economic and political power are conceivable, contradictions which the politicians must see clearly in order to avoid catastrophic mistakes. Let's talk about some concrete examples.

Unemployment severely impairs chances for success in the trade union struggle. Whoever has the industrial reserve army on his back is limited in what he can do in the economic struggle. State and law make a huge difference here. If a country has a satisfactory unemployment insurance law, then this obstacle is nearly eliminated. If it does not exist at all then that can be ruinous for the unions, as it is in the United States. The law increases or reduces economic power – a difference that can be so great that it becomes a matter of life and death! (Italy!)

1 With what great enthusiasm he had welcomed the Ten-Hours Bill from the hand of England's 'bourgeois state', the first seed, which our Hanusch as 'State' Secretary has developed into a great shade-giving tree!

Or: In talking about France one says that, whoever has Paris, has France – a product of state institutions. One would be mistaken, however, who said: Whoever has Vienna, has Austria! This is in spite of the fact that Vienna constitutes a third of Austria and Paris a tenth of France. The relevance of the state and its institutions for class struggle! But these examples are both taken from the margins, let's focus on the core!

9. Every class possesses economic power through the role its comrades play in the economic process; it is simultaneously the arm on the spoke. One cannot extend this kind of immediate economic power further. It is different, though, *with legal power, with political power.*

Again, for people who only live in ideas, a concrete example: Whoever concretely owns a horse, must personally go find him when he runs away or is abducted. The legal power over the horse consists of a phone call, which mobilises the gendarmerie of the whole country to catch the horse thief. And when the horse is not stolen but is withheld for private legal reasons, one raises a verbal complaint in court, where the entire apparatus of civil justice is mobilised for the owner.

It is the great advantage of legal authority and thereby of political authority, that they simultaneously lengthen their own arm. *The state establishes its own apparatus for the implementation of law, to compel in the interest of the law: its administration, its courts, and its armed force!*

The economic arm is thereby not simply lengthened, in addition to the arm on the spoke comes the arm on the rifle. If I can entrust my class interest to this arm, then I spare myself from having to lead the class struggle personally. I let the authorities, the courts, the police, and the soldiers do it.

In normal times, the bourgeoisie is so used to the apparatus working in its interest that it is genuinely convinced that it does not have to conduct any class struggle. It relies upon the police to carry it out on its behalf and it thinks that the latter are only carrying out the law when they do so.

That is the non-economic power of the apparatus that still so often intervenes in the economy, the 'organised power', the 'real power', which Ferdinand Lassalle discusses in his speech on the nature of the constitution. It is one of the realities of the constitution in contrast to the piece of paper. Of course this power as a whole and in the long run is not as strong as the people or even only one of the great classes of the people, but it is organised, it is there every moment, against individual predominance.² Figuratively, let's call it the 'arm

2 Should I waste merely one polemical word against Max Adler, who compares the state's

of the state'. It is that which raises the legal power so far above the natural economic power of a class. Among the people, the bourgeois block has 57 [mandates] to 43, but through the additional legal authority it is much stronger. And that is why control over this arm is worth so much! To have it for yourself or to have it against you – in most struggles that is *decisive*, though not in all. When state power is hostile then it is of the greatest importance to neutralise or limit it. Those who get their wisdom from books (die Buchweise) cast this last consideration to the four winds!

People to whom the state is only a term, like 'society' or 'humanity', and who do not see the state as a corporeal reality, talk about the apparatus glibly, as still commonly occurs here.

10. But the apparatus of the bourgeois state – and these people are immediately ready to raise this objection – is exclusively the means with which the bourgeoisie dominates the proletariat. Therefore, hands off the bourgeois state!

Every element of this sentence is wrong. The apparatus is there and in an orderly way serves all legally protected interests, including those of the proletariat in so far as the latter has understood [the need] to anchor its interests in law (for example, the apparatus of business inspection, social insurance, the commercial courts, etc.). Granted, here, today, it serves mainly the interests of the 'bourgeoisie'. Indeed, approximately until Marx's death it had almost exclusively served the interests of the dominant classes. [And] today? In Russia the apparatus serves the interests of the peasants and workers – exclusively! One sees that there is something like a development here, like thesis and anti-thesis. Sometimes they unfold so quickly before our eyes. Between 1918 and 1920 the apparatus here *primarily* served the proletariat; since 1920 it has *primarily* served the bourgeoisie. The national government primarily serves the bourgeoisie, but the state and local governments in Vienna and the communal governments in the cities primarily serve the working class.

But it is not the 'alone' or the 'primarily' that is decisive in the whole dialectical secret. The apparatus is a legal institution, which consists of material instruments on the one side and living people on the other. It is held together through the will of those responsible for guiding the law. What is with these living people? Before the war it was an organisation of all classes (universal, mandatory military service; officials and officers mainly bourgeois, personnel and servants consistently of bourgeois and proletarian origins); today the

apparatus of domination, or one part of it, like that of the Viennese federal state, with a 'Gymnastics Association?'

apparatus – at least on German soil – consists mainly of those without property or at least of those without wealth. That says: The apparatus is, indeed, in the general run of things, reliable. It is even reliable when a mistaken tactic forces it into a street fight and puts before it the dilemma ‘you or me’, especially in a struggle for which there might be a good reason, but in which there is no clear goal, thus making it useless. But even the best-drilled apparatus will be conditioned in major, serious, momentous decisions by its real essence and not by its artificially created consciousness. That depends solely and alone on the historical moment. There was never more reliance on an apparatus than on the army of the Tsar, and what happened to it in 1917? The arm of the bourgeois state today is exactly as bourgeois as the ‘hands’ on a capitalist machine – capitalistic! The scholastics that talk about the ‘bourgeois state’ and about ‘bourgeois democracy’ are a thousand miles away from the Marxist dialectic.

11. That sentence is also wrong in its simple placement of the bourgeoisie against the proletariat. Here, too, [we have] a scholastic pairing of concepts instead of living reality and reciprocal experience.

The expressions ‘bourgeoisie’, ‘possessing class’, and ‘ruling class’ are justified and convenient abstractions. They help when thinking and speaking about certain contexts. What realities do these abstractions cover? Which ones in general? Which ones in our country in particular? One can only act in the realm of the real.

The structure of capitalism in a country is derived from the relationship of landed property, industry, and merchant and bank capital, especially in term of their size. How land ownership is distributed – does it consist mainly of large estates as in Hungary, middle-sized peasant ownership as in Austria, or dwarf-sized properties as in Galicia; what is the proportion of landed wealth compared to all other forms of property; how far has industrial development advanced, does heavy industry dominate and lead politically or manufacturing as in contemporary Austria, what is the importance of the crafts; does wholesale trade dominate on land and sea (as in Holland) or domestic trade; how does wholesale and retail trade operate; is banking concentrated among individual large banks or is there in addition a broad cooperative and corporate system as in the German Reich? All of that makes up a country’s economic structure. For the most part, this illustrates all the conceivable forms of transition from the proletariat to the capitalists.³ There are countries in

3 After sixty years, experience has shown that the once certain claim that all middle-sized

which middle strata are absent, for example, in the Hungary of large landed estates [and] in Poland's business world, where the urban bourgeoisie is just getting established on a broad basis. Beside these purely economic classes, which somehow have their arm on the spoke, there are *still broader intellectual strata*, which only have interests as consumers, not producers. Where individual middle strata are not absent for historical reasons (Hungary and Poland), a regular, upwardly tapering pyramid, which in reality knows no rigid demarcations, erects itself over the broad masses of workers of town and country. This gives people the idea of lumping together individual interest groups under a common label, and thereby abstracting from the prevailing differences that still exist among them. When *we speak of the possessing classes*, we don't mean possessions of every type, but rather ownership of the means of production. But this abstraction still includes the small peasant and the small craftsman, who possesses his own means of production though he lives like a proletarian.

The abstraction 'working classes' logically also includes the factory director, who lives merely from his mental labour, although as a rule he feels bourgeois. The abstraction 'propertyless' (Besitzlos) again includes many workers who may acquire a portion of the means of production through inheritance or marriage. In general the classification does not deal with those strata on the *borderline, whose class interests are in flux*.

But apart from these borderline strata, whose numbers are still considerable and politically important, the economic interests of bank capital, of industry, and of merchant capital embody so many inherent contradictions that *a general unity of interests does not usually prevail* and it is only present in the case of a general crisis of capitalism, thus *only in a period of actual social revolution*. For the capitalist economy over the long term, as it undisputedly rules today and will rule for the foreseeable future, the brutal and powerful interest aiming to roll back the workers' achievements since the last revolution, which I'd like to call the 'rabble-rouser interest', consists of only a fraction of the industrialists, the bankers, and the large estate holders. The larger portion of the 'entrepreneurs' and especially of the 'directors' – who are just as important today as the chiefs – is beginning to resign itself to the social constitution of the post-war period. The whole of *commerce*, large sectors of industry and trade, and the *whole world of the intellectuals* have *no interest in rabble rousing*.

On the other side broad circles of business have *no interest in landed property* and especially in *home ownership*, they are actually an opposed interest. There

enterprises would go under was wrong. Indeed the historical crafts have gone under, but new small industries arose and are founded every day. (Radio, electric installation, etc.)

are only a few concrete questions in which a clearly proletarian class policy would not bump into the same interest of some so-called 'bourgeois' strata. (For example: Tariff policy, industrialism vs. agrarianism, protection of renters, and cultural issues).⁴

Therefore, the labels property-less class, working class, and proletariat in no way more clearly define the membership of 'Social Democracy', the political party which forms the first part of the intellectual superstructure over the economy. In terms of class this [party] is no longer the same as when it earlier consisted *exclusively of factory workers*. It reaches upward into the urban intelligentsia and downward into agricultural production, where patriarchal households carry on, it *embraces middle and small holders* in large numbers, and even some people who are of *alien classes* and attach themselves [to the party] for cultural and ideological reasons. In Vienna in particular it includes *capitalist strata* whose interests are threatened by the rising home rents. Of special importance, however, for Austrian Social Democracy is that it has a large following among *employees and officials* even in circles that stand directly under the influence of the state, belong to its 'apparatus' and must, therefore, directly have influence on the state. No so weighty, but not without importance, is the fact that *a large group of those disinherited by the war* (small pensioners, etc.) has turned to Social Democracy. They expect nothing more from the economy and everything from the state. Social Democracy recognises the justice of their demands and represents them, although the provision of income to unemployed pensioners at workers' expense lies outside of the range of their ideas.

One sees in this bunt mosaic of classes, groups of classes, and fragments of classes with widely divergent interests *that class struggle is not as simple as some of the book learners dream*. This book learning repeats over and over the simplest, highest orientation of class struggle, the antagonism between the bourgeoisie and the proletariat. It insists on the ABC of this struggle and spurns to look more closely at how the classes taken together are stratified and intersect. It always preaches the same orientation to us, which no one disputes,

4 Austrian conditions show that the concept 'bourgeoisie' applies here to a class that is stratified differently and of a different nature than in Germany. Thanks to Lueger, we have a petty bourgeoisie that is far better schooled politically. The big bourgeoisie, however, which sits in Vienna, is largely capitalist in the new abroad and not in Austria, it is divided by religion and nationality, and it has nothing like the potency of the German bourgeoisie. It is poetic license to include the peasantry under the designation 'Austrian bourgeoisie'. All these generalisations weaken the ability to differentiate politically, they cloud tactical judgment, and in concrete cases lead to major mistakes.

but which has long been unsuitable for the time and place and sometimes causes extensive damage, *because practice has long been at U and Z in the alphabet*. And it is only too inclined to treat all those who do not rise to the heights of its superficiality, because they carry out the class struggle in the real world, as lousy socialists, as renegades, and apostates. Because they have the leisure – instead of the press of daily needs (!) – to speak in the language of the last century, they prefer the bold language of the prophets and look with a certain disdain at the profane craftsmen, who does his daily duty. This arrogance is unbearable.⁵

12. But it becomes especially dangerous if, by underestimating necessary, partially completed developments, it creates obstacles for the movement through its sectarian righteousness. Marx once said that at a certain level of development, landed property became a hindrance to capitalist development. That means that *landed property enters into an antagonistic relation with all other forms of capital and that the proletariat must make intelligent use of this antagonism*. In Vienna, for example, we have the case of protection for renters. The legal authority of the Austrian working class is great in Vienna, greater than in any other metropolis, because here this antagonism of capitalist forms burst forth early due to various circumstances. In keeping with experience, here the working class sees itself in alliance with broad strata of other classes, at first unwillingly, but undeniably to its advantage. *This connection brings its advantages and sets out its obligations*. It puts the antagonism between landed property and all other economic forms and types of capitalism on the agenda, thus a real class antagonism, but just not the one that the scholastics see as the only one. For the struggle of centuries a phase, for the world only a corner, but for Austrian Social Democracy a decisive battlefield upon which the Austrian pro-

5 Max Adler overcompensates for his total lack of understanding about the dialectical nature of class struggle with schoolmasterly intellectualism and moralising. When he ceases to understand Marx, he speaks of a 'lack of Marxist education' and of a 'lack of revolutionary consciousness'. When I speak practically and tactically about the 'good right' of the working class, then I am supposedly preaching a 'purely reformist' concept of the state and a false 'ideology of law'. I probably would not have earned such criticism if I had said, 'Seipel and the bourgeois block alone have a right to the state'. Dear Max Adler, it does not occur to me to carry out a dispute between schools or sects at party congresses or to summon you as a judge of scientific systems. There I ask: What should we do in our current situation? I seek the facts that influence our actions as clear as I see them. For that reason I have never engaged you in a polemic at a party congress. Party congresses are not councils or discussion clubs where one discusses and makes decisions about principles of belief and theoretical teachings.

letariat's whole position of power conceivably depends. At this very moment Max Adler thinks it is absolutely imperative, to stay with his own image, to bell the cat. It does not satisfy him that the Vienna proletariat is carrying out the class struggle, which is really ongoing, with all its might. He does not like the cat if it does not wear a loud enough bell, loud enough to frighten away all the economic allies needed in the struggle. The bell is more important than the cat. No trade union progress pleases him – it's purely a knife and fork question! – unless it proclaims itself to be a decisive step to the state of the future, a sure method to strengthen the resistance of the unions' opponents to the greatest extreme. Under conditions and in periods in which legality provides strong protections to workers, he does not neglect to construct a logical distortion of a 'dictatorship'⁶ in order to hang the wrong bell on Social Democracy, which the agitators need for their plans.

13. And in this ringing super socialism he and his tendency underestimate that the working class, ever since it has been on the march, consciously or unconsciously always took the most effective advantage of the class antagonisms among the rulers in order to influence the state, to gain beneficial legislation, and to fight effectively under its protection. Ever since there has been Social Democracy, its very existence influenced the class antagonisms within the 'bourgeoisie' and made them useful to the working class. From Lassalle's approach to Bismarck for the cause of universal suffrage until the present day, the working class has risen through the significant fact that, historically, just about every strata of the bourgeoisie had interests that were for one moment parallel to and in the next moment in conflict with those of the working class. In England the struggle of the Tories and the Whigs brought one extension

6 I'll make a final attempt to explain what the issue is to Max Adler. When someone speaks to me about the dictatorship of the proletariat in Austria, to examine the term I don't ask:

How does that fit into the theoretical system? What did Marx say about that 60 or 80 years ago?

Instead, I ask:

How will I provide the workers with grain two weeks from now? Who will really have food on hand on the day after?

How will I pay officials' salaries on the first of next month and how will I pay wages next Friday?

To these and a hundred other questions I receive a negative answer. I think it is irresponsible unscrupulousness to talk about dictatorship in a tactical discussion. Up to now Max Adler has not understood what we are really talking about! Hopefully, he gets it this time and stops accusing me, when I talk about reality, of demagoguery.

of the franchise after the other, thereby progressively emancipating the working class, which itself remained unaware of it. *The Russian proletariat together with the Russian bourgeoisie first overthrew Tsarist absolutism and then, together with the Russian peasantry, the proletariat overthrew the Russian bourgeoisie. The facts of experience!* The Russian working class went so far as to massively extend property in land – if only in hidden form. Tactically, it is an incidental matter, in other words a result of accidental circumstances that this cooperation did not take the form of a direct agreement or of a direct governing coalition and even this was only partially the case in the first phase of the Russian struggle. And this is how the Austrian proletariat had taken advantage of the real, class-oriented if only partially effective ‘worker and peasant’ community of interests in order to create the republic, the republic that it could never have created by itself in conflict with the peasantry. That this had to occur in the form of an open coalition is an incidental aspect of this greater historical achievement.⁷

14. And the class analysis we have provided also explains that the more widespread, more comprehensive struggle of the class conscious proletariat in the age of democracy has led and must lead beyond all general class antagonisms and ever more frequently replace the unconscious cooperation of earlier phases with open, conscious coalitions.

No one can simply talk about coalitions ‘in principle’ without considering what the fighting working class has done in all countries over the past decade: the factual movement demonstrates it! Experience is the basis of all theory! At least all action and of the art of taking action.

7 Max Adler describes it as a ‘willingness to form a coalition with the class enemy’, and labels it one of ‘reformism’s’ favourite ideas. Because in Max Adler’s head the class enemy is the one indivisible bourgeoisie, in his brain that means it is a partnership of opponents and thus an annulment of class struggle. He stands incomprehendingly when he encounters a party formation like the German Centre Party. (Something that is 50 years old is not an abnormality.) When the German Social Democratic Party forms a coalition with the Centre, the working class in the Centre Party supports the coalition. If in contemporary Austria a large part of the intelligentsia and the middle-sized bourgeoisie was not socially intimidated and aggravated for no reason, a brief coalition could be formed to carry out the reform of marriage and the laws governing schools in Burgenland. A true blessing for the people and for the country. In the bourgeois class enemy, which we have canonised as indivisible to Seipel’s advantage, there are substantial groups for whom the agitation of Schwarzenbergplatz is irksome and which cherish intellectual and cultural freedom. The reactionaries within our party waste such possibilities, because they have not advanced to the point where they are able to broaden their conceptual schema in light of concrete practice.

As far as I know from available data, since 1918 Social Democracy on German soil has entered into the following coalitions:

1. In the Reich: Scheidemann, February to June 1919; Bauer, June 1919 to March 1920 (Founding of the German Republic, Weimar Constitution, Conclusion of the Peace!); Müller, March to June, 1920; Wirth, May to October 1921; Stresemann, August to November 1923 (Overcoming of Hitler-Putsch and of the Kapp-Putsch!). The reason for these coalitions was to secure the republic and they resulted in the collapse of German fascism.
2. In Prussia: Provisional Government 1919 (SPD and USPD) – the Hirsch cabinet (SPD and German Democratic Party), January to March 1919. From March 1919 to the present – with one very short interruption – the government of the Weimar coalition: The securing of the republic in Prussia and therefore indirectly in the Reich, the restructuring of the Hohenzollern-aristocratic state apparatus, the creation of a republican police and administration. The motive of this coalition and its success is the destruction of the Hohenzollern apparatus, its replacement with a republican apparatus, and the securing of the largest of the federal states.
3. Saxony: November 1918, SPD and USPD; from 1920 to 1923 Zeigner-Liebmann; after October 1923 Fellisch's coalition government; between January 1924 and March 1926 Heldt's coalition government – then came a bourgeois government and Social Democracy's ridiculous lack of power in the most proletarian state in Germany. This is an odd result, which gives us reason to think.
4. Thuringia: 1921 to 1922 a coalition of the SPD and the Democrats; 1923 the SPD and the Communists; after 1924 a bourgeois government.
5. Württemberg: 1918 to 1920 the Weimar coalition and thereafter a bourgeois government.
6. Baden: from 1918 the Weimar coalition.
7. Hesse: from 1918 the Weimar coalition.
8. Hamburg: from 1918 four coalition cabinets with Social Democrats
9. Lübeck: from 1919 the same coalition government with Social Democrats
10. Bremen: 1919 coalition, from 1920 a bourgeois block.
11. Mecklenburg-Schwerin: 1919 coalition with the Democrats; 1920 three months of a pure Social Democratic government, after May 1921 a great coalition (five cabinets with the Social Democrats and one without them).⁸

⁸ Incidentally, one should note that participation in one of these coalition governments should

While considering *the legal and concrete condition of the working class*, let's compare countries with coalition [governments] in relation to those without coalitions or with abortive coalitions. The working class's situation in Saxony and Bavaria is the most deplorable. Bavaria is the greatest threat to the German Republic and to its unified development. The republican constitution is most secure in Prussia, Baden, and Hesse as a result of the democratic reorganisation of the government apparatus and rights of the working class! Social Democracy is also most united as a party in these states! It is not primarily in the typical states with coalitions where sectarianism has divided the working class, but rather in radical Saxony. The facts of experience speak a clear language!

Let's leave German soil and look around the European continent – excluding Russia and the Southeast – where in almost all countries we find periodic coalitions in which Social Democracy represents the working class, including cases where it is not the strongest element of the coalition. We see the greatest advances for the working class domestically and the most support for the international community of European states from coalition governments. We see that the working class *pursues a politics of changing alliances* by periodically allying with different parties – representing markedly different bourgeois classes – on a parliamentary basis.

And, thereby, we recognise clearly that for the politics of our states and of our time the descriptions of 'one reactionary mass', of the exclusive antagonism between 'the bourgeoisie and the proletariat', and of the imperative of a two-party system *are not applicable for our practice*. I'll leave it open whether it is too soon to come to a decision or if the decision itself is wrong. As important as the decision on this question is in itself and theoretically, *for our decade and our country it is not even current in practical terms*.⁹

not and really does not mean 'a warm little seat' for a Social Democratic minister. Severing, for example, left the Prussian government due to complete exhaustion after struggling for years against secret aristocratic and militarist associations. If today Germany brings Stahlhelm murderers to trial and dissolves these associations and we, in contrast, have a fresh and cheery fascist build up on hand, it provides the occasion to judge Prussian and German Social Democracy more fairly than has earlier been the case in Austria.

- 9 [Julius] Braunthal says: We cannot fight any differently than we did earlier in the struggle against the bourgeois block over the popular majority. But what does it mean to 'struggle against the bourgeois block?' Does it mean declaring this unnatural and unfruitful alliance to be eternal and Seipel's idea to be justified in order to drive his voters to him – until his policy's Day of Judgment, until Socialism's victory? That is what Seipel would want. How does one struggle for the majority of the people? Anyone who pays attention to elections in Austria finds that we have long had class elections and that, for the foreseeable future,

15. And thus the conclusion comes to light: The working class should not allow its freedom of political action to degenerate through a superficial and highly reactionary simplification of class struggle, which contradicts the real facts of European Social Democracy's entire effort. It especially should not let scholastic hair-splitting inhibit it and turn into a failure its justified, necessary, and spirited struggle for the state, for its conquest, for a share of power and at least the neutralisation of its apparatus. The politics of our age is dominated by the working class's fight for the state. The struggle in the workplace was not, as the syndicalists claimed, a struggle for all or nothing. On the contrary, from the assertion of the shop steward over the legal factory council to the step-by-step expansion of power, the struggle still has to be carried forward on the terrain of the contemporary economy. In the same way, the fight for the state moves from one position to the next, *appropriating property in every conceivable form*. Any other conception leads to the political sterility of a sect standing outside of reality and waiting for the Judgment Day.

Karl Renner, 'Einige Erfahrungen praktischen Klassenkampfes', 1928 *Der Kampf* (April): 142–53.



A Different Austria. Into the Decisive Struggle! (1930)

What has ten years of governance without and against Social Democracy done to our country? Worse than just after the war, our economy is on its knees, thousands of industrial enterprises have gone under, and thousands are struggling to survive! All of agriculture is in a forlorn state, the indebted coal miner, as in the eighties, is barely able to hold on to his belongings and is practically on

neither side has anything to gain. We can't get past this deadlock unless Social Democracy calls for cooperation with those parts of the bourgeois block that in large measure have the same interests as the working class. Initially they will say no, but this is the way to make them conscious of this relative commonality of interests for the first time. First they will form a coalition with us, which is good. Better is that, [no longer] hindered by earlier string-pullers, they will vote for us later on. Only in this way can one win over the soul of the people, not by throwing the peasant, the craftsman, and the employee all into the cursed pot of the 'bourgeoisie'. As one sees, Braunthal does not let Seipel dictate the tactics: 'The law of action is dictated to us'. If that were true, then we could confidently go into the monastery for ten years.

the verge of opening his door to the deer and letting his homestead fall into ruin! One-third of a million workers without work! – What have they done to our people? The inevitable conflicts of interest, which the state is called upon to reconcile, are intensifying to the point of civil war! – Public spirit is alienated from the world and its problems, made provincial, petty bourgeois, and, from the university to the village school, from the national political stage to the private singing club, it is declining to the level of the village curate! An incomparable decline!

Everyone senses the decline. Today everyone knows that this system has lived out its time. Ultimately, it has abdicated in favour of a caretaker bureaucratic government. The dissolution of the National Assembly is long overdue; the new elections are delayed only by the manoeuvres of the bourgeois parties to mask total failure and to recover by gaining time. The Austrian proletariat faces an enormous struggle: for a different Austria!

First one must pull the country back from the abyss of the economic catastrophe so that we can then resume the tasks of construction that we began between 1918 and 1920 and which the Seipel era interrupted and miserably deformed. We must continue the work of the democratic and social republic and neither of these great tasks, neither fending off the catastrophe nor building anew, can be accomplished *without or against the Austrian working class and Social Democracy*. As in 1918, we place ourselves in the service of the country and in the elections we will receive full power from the masses! And in spite of all the hardship and distress, in spite of all the hate and violence of our enemies, we will be victorious!

We are aware of the momentary difficulty of our struggle. They have thrown countless party activists onto the street and with the whip of hunger compelled countless supporters of the party to wear the enemy's uniform and to cultivate treason in the ranks of the working class itself. We know from the past that such methods have never worked at the decisive hour of the election. Because at that moment each person knows what it is all about, what is at stake, and for the countless victims of capitalist oppression that moment is the moment of retribution! In no election has it ever been as clear to the masses about what is at stake and what a responsibility this decision is. In this respect I am in complete agreement with Otto Bauer and his comments in the article 'What now?'¹⁰ I can summarise the key points briefly:

10 Otto Bauer, 'Die Bourgeoisrepublik in Österreich', in the preceding edition of *Der Kampf*.

1. Workers, employees, and officials, who have not yet voted for us because of tradition, family relations, etc., can no longer rely upon Social Democracy being strong enough as the opposition [party] to preserve social legislation. They must vote for us or it will fall.
2. The small and middle-sized bourgeois business owner, the bourgeois renter, knows that the bourgeois parties will abolish renters' protections if Social Democracy does not return to parliament stronger than before. Henceforth it won't be acceptable to enjoy the fruits of our struggle while leaving the party in the lurch and slandering it. One must vote for it or protection for renters will be abolished.
3. The industrial population, the residents of Vienna, of the cities, and of industrial towns know that the country has fallen hopelessly into the grip of high agricultural tariffs, that this will kill off industry, trade, and tourism if Social Democracy isn't strong enough in parliament to prevent it. Only a substantial increase of votes can provide it with the requisite strength!
4. Spiritual Austria, in so far as it has not already hopelessly succumbed to clericalism and all the other reactionary isms over the last ten years of thwarted marriage and criminal law reforms and, unfortunately, a successful reform of the press, has experienced that none of the bourgeois parties offers a guarantee for spiritual freedom and upward development, and that Social Democracy must gain power in a future parliament in order to make this guarantee effective.
5. All citizens of this state who are responsible for the economy know that the parties of the bourgeois block are too cowardly or too weak to implement domestic disarmament against the violence perpetrated by a clique of agitators. They know that Social Democracy must be the determining factor in legislation that would bring peace to the country again. Without Social Democracy's parliamentary victory there can be no permanent peace in the country.

In addition to those mentioned above, there are still a variety of interests in this country, *interests of bourgeois society itself*, that demand the positive cooperation of the working classes. They will prevail in this election. We can enter into the campaign in good spirits and full of confidence. This is because our strongest ally is that: *We are right! In front of the country and the people we are right*, and it is up to us to prove that we are right to the whole electorate.

However much the argumentation of Otto Bauer and Oskar Pollak in the last issue of *Der Kampf* might differ from my way of seeing things, whoever compares these two essays with my position, and in respect to what needs to happen in Austria right now, examines them without prejudice, must conclude

that it is astounding how little really separates us in practice, how little we differ from one another in our assessment of the current situation. I am tempted to make a comparison: It is the same as migrants who take completely different routes and yet come together on the same spot.

For the Austrian working class and its political leader, Austrian Social Democracy, this coming together in practice from different points of departure – that must be mentioned beforehand – is a welcome fact that is not at all new. Basically it was always the case even in the days of Victor Adler and Engelbert Pernerstorfer. Our Austrian party was always richer in idiosyncratic brains than most of our brother parties and rarely took in even two personalities of the same template. There was Pernerstorfer, who came out of the classical world, who spent his life working with ‘ideas’ and with ‘the humanity of great things’, possessed by a true horror of details and enraptured by eternal values. Next to him was Victor Adler, who came out of the dissecting room, who spent a lifetime moved by the living people in front of him, by the material and cultural misery of the working masses, obsessed with mastering detail and through that the whole. He was above all a critical spirit and therefore a sarcastic speaker, who tolerated no other pathos than the infuriating pathos of the facts. At the same time, both were not very historical in their thinking; the first looked entirely to the future, the second entirely to the present. If the Austrian was opinionated like the North German, ambitious like the Frenchman or, better said, if the Austrian situation had room in it for being opinionated or ambitious, then we probably would have had splits. Perhaps even more we can also thank the circumstance that the leadership of the working class here – if only because of our fortunate intellectual diversity – was in proletarian hands early on and remained there. It let itself be led primarily by the needs of the daily struggle and less by ideas. In the interest of our party’s future, I harbour the rock solid trust that the Austrian proletariat will always listen with interest and loving understanding to the differences of opinion among its intellectuals, it will learn from their contradictions, and reserve the practical decisions to itself. I hold that to be the strongest guarantee of the unity of our movement.

Otto Bauer’s point of departure in assessing our current situation is not the same as mine.

He derives certain propositions from the history of other centuries, which reach their peak in the following sentence: ‘The previous development of the republic unavoidably, inescapably, ended with the restoration of the bourgeoisie’. And in a history course he proclaimed: ‘As often as the proletariat has forced [the creation] of the republic, the bourgeoisie had suppressed the proletariat, seized control over the republic, and transformed the republic founded

by the proletariat into a bourgeois republic ... The proletarian revolution that crushed the monarchy is only a phase in a historical process, which ends with the bourgeois republic. This lawfulness of development is misunderstood and is described by many as our tactical mistake'. – I have never read in any of our opponents' books or papers such a brilliant justification of policy – of Seipel's policy.

According to it, Seipel would have been the instrument of that historical law – in ecclesiastical thinking the instrument of providence – that, because we are the unavoidable, indispensable victims of this development, crammed the historical dialectic into us.

I don't harbour the fatalism of such a law and I've never estimated Seipel so highly. I view him as a misfortune, a rather unnecessary misfortune for this Austria and especially for Austria's bourgeoisie. I see other countries beside us with a similar class and social structure in which over the past ten years the unfolding of this law did not occur.

My basic outlook is different. The European proletariat today, in the totally singular, historically incomparable post-war period, under circumstances which in comparison to the economic and political conditions of the pre-war period are completely altered, is laboriously seeking a path in keeping with the times. It has learned primarily from its own experience, because the whole of the history of the pre-war period offered us no useful model. The facts of the experience of the last ten years present us with a chaotic picture, and Oskar Pollack is right first to present this colourful picture as a given, because in virtually every country the proletariat behaved differently, obviously because it faced different facts everywhere. We see proletarian parties governing alone or in partnership, first with one and then with another of the groups in the bourgeois world, one moment in tolerant opposition, the next in passionate opposition. Often the behaviour of a country's party will change within a few years. Plus we have both extremes: in the east, in Russia, the dictatorship of a proletarian party in the name of a class; in the south, in Italy, the annihilation of the party in the name of the integral, national state.

Never and nowhere was there anything like this before the war! The sporadic participation of the one or the other man in government was viewed as so-called 'ministerialism', as a lapse, which, if only because of its rarity for the whole international movement, was regarded as a painful incident. At that time Social Democracy stood outside the state, outside each individual state and the whole world of bourgeois states.

Almost every tactical rule simply passed down from that time – never mind about earlier times! – to the present must prove under these circumstances to be unsuitable or wrong from the start. The ten-year experience shows that the

proletariat faces other tasks and obviously follows other rules! We only proceed as Marxists if we finally once again recognise the primacy of experience and derive from it the law [that governs] the events of our time rather than reading the rules of the past into the present. I would view the latter as a rather odd Marxism, as a Marxism that is sick from the pallor of the study.¹¹

I am now reading from the experience of the post-war period: *the proletariat seeks to take state power everywhere – in theory and in practice!* In theory: almost every dispute has to do with the relationship of the proletariat to the state! Social policy, tax policy, the art of administration, the judicature ... each and every thing connected to the state is now on the mind of the intellectually active worker. This theoretical behaviour is in no way covered by the old *negative phrase*: conquest of state power in order to abolish it by dictatorial means or let it die out in some other way. On the contrary, every state function, even defence, receives its positive counterpart to fulfil the same function in a socialist way. In practice the proletariat empowers itself in legislation, in administration, in the legal grounding of every position, that is wholly or partially accessible to it, and which it hopes to claim. What earlier was viewed as a lapse, yes what might really have been a lapse, is now seen as a virtue and success. Adora, quod incendisti! ('Pray to what you have burned!')

If we don't want to be pretentious schoolmasters of history, but rather its appreciative students, then above all we must see these facts and learn to understand them.

Seeing things in this way, it seems to me then that the question raised by Oskar Pollak, 'Party Interest or State Interest', isn't senseless, but is fundamentally flawed and misleading: every party programme is the *programme of the state as we have it and as we want to place it in our service*. What does the worker say, who has become fully conscious of the meaning and task of his class? We, the working masses, are the state. The others are of course its temporary beneficiaries. They are its temporary leaders but we have set out to bring this thing in order. Our party is the instrument that we have created to make the state ours and to bring the 'we' and the 'state' into a natural unity. In fact all the activity of the proletarian party¹² is without exception related to the state. The party is simply the political instrument of the class directed at the state.

11 See Otto Bauer, page 199, line 14.

12 I note here that I always use the expressions 'proletarian party' [and] 'Social Democratic Party' in the technical sense of the word, i.e., as the political instrument of the class next to the trade union, cooperative, cultural, and other organisations of the working class, which together comprise the 'socialist movement'. Whoever wants to understand the party as

I have the impression that after the World War a concrete and spiritual change occurred in the working class. In practical terms it occurred as follows: until the World War the working class first faced the task of drawing together and constituting itself as a class. This gathering together to form a class was an end in itself, the most important task behind which all the others retreated. After the World War in which the working class of every country revealed and proved its immeasurable importance, this newly formed class asked itself: once constituted, what is the next goal? Socialism is my highest and last aim. I pushed it forward in the day of the revolution and learned that, unfortunately, there is still much that separates it from the current period, above all a way and a means, the state. The road to socialism is via the state. The state is a means to this goal (for example, socialist education, social legislation, social administration, etc.).¹³ And now the working class raises the same question that Abbé Sieyès did in his day for the Third Estate using the formulation provided by Ferdinand Lassalle: what is the working class? In reality it is everything, legally nothing! At a time in which all law emanates from the state, we are the state in reality; but legally the others are still the state! This is a relation that we have to put in order.

Where the working class is still struggling to constitute itself it can follow this template just as little as the German bourgeoisie could take up the slogan of the French Third Estate in 1789. And just as little as the bourgeoisie has maintained the same actual and intellectual constitution from the period of the medieval urban republics and the free cities of the Reich – its first moment of glory – into our day, just as little has the proletariat always remained the same from the days of Karl Marx's youth through the years until his death and a half-century beyond. To serve up tactical rules to the contemporary proletariat from the mouth of Karl Marx seems to me to be just as quixotic as if one believed that one could recommend the medieval tactic of city alliances to the present-day bourgeoisie. This aversion of mine does not dishonour Marx, on the contrary, it honours him. That is because the heart of his teaching is the primacy of

more than the political instrument of the class, whoever wants to understand the unions, the cooperatives, etc., in short, the whole class movement under it, must pay attention to my use of language so that we don't aimlessly talk past one another. In the masses' use of language, the state is not a theoretical abstraction, but rather the concrete reality of *the nation and people in their legal organisation*, not simply the government alone or the ruling classes alone or any partial piece of the whole (as, for example, public authority). I am talking here of this state and not of an abstract state in the theoretical confrontation of state and society.

13 Though not the only one, which I have shown in my 'Wege zur Verwirklichung'.

experience, the primacy of the fact before the superstructure of theory, [that is] revolutionary praxis!

From the facts of revolutions that lay in the realm of his experiences (1789 and 1830), Karl Marx had already derived a law that one knows as *the cycle of bourgeois revolutions*: revolution, counterrevolution, and restoration, with their interludes of terror and dictatorship. The cycle repeated itself in France three times (1789–1815, 1848–52, 1870–71), indeed each time in different forms and under different circumstances, the first and third time under the pressure of external complications from war, which greatly distorted the pure image of its social legislation. From this cycle Otto Bauer derived a ‘developmental law of bourgeois republics’ from which our current situation – the essence of which we agree upon – is the inevitable result.

I want to express my reservations about this teaching on the revolutionary cycle.

The English Revolution preceded the French Revolution. The Stuarts (James I and Charles I) had attempted to exclude parliament and to establish the absolute power of the king as in France. Resistance led to uprisings and, after 1642, to civil war. Charles I ended up on the scaffold in 1649, the crown was abolished, and the Empire was declared to be a commonwealth (a republic). In December 1653 this republic was placed under Cromwell’s dictatorial authority. These revolutionary struggles, however, belong more to the history of the reformation of the church than to that of bourgeois development. A General Monk overthrew Cromwell’s son and recalled the Stuarts in the person of Charles II (1660–1885). This was the restoration. While he attempted to get along with Parliament, his son, James II, renewed the absolutist politics of his ancestors. The second, so-called Glorious Revolution of 1688 expelled the Stuarts and called William, from the House of Orange, to the throne. After 1688 parliamentarianism in England remained unchallenged. Up to the present day, for a quarter of a millennium, the country has not experienced another revolutionary cycle. By progressively broadening the franchise, power has shifted from the great lords to the *lesser aristocracy*, to the *big bourgeoisie*, to the *bourgeois middle classes*, and finally even temporarily to the *Labour Party*. The Anglo-Saxon world had carried out enormous class struggles and yet obviously, after a half-religious overture, with some kind of trick had withdrawn itself from Otto Bauer’s law for 250 years.

England has remained a monarchy, however, and Otto Bauer was talking about the *bourgeois republic*, particularly the relationship between the bourgeoisie and the proletariat in the struggle for the republic, whereby it remains noticeable that English class struggles have managed to avoid this object. And

in these class struggles in the framework of the revolutionary cycle a certain repetition appears which suggests analogous conclusions: the bourgeoisie and working class together overthrow the monarchist order; after the defeat of the reaction the bourgeoisie betrays the working class and subjugates it; the bourgeoisie then establishes its class rule upon a field of proletarian corpses. The proletarian disasters that usher in the bourgeoisie's victory are the 9 Thermidor 1793, the June Days of 1848, and the Paris Commune of 1871. To round out Bauer's analogies, this phenomenon repeated itself during and after the Russian Revolution of 1905.

It does not occur to me to advise the proletariat to cast these often-repeated experiences into the wind and to assume for a moment that any bourgeoisie in any country would intend to proceed differently. It does what its class instinct impels and every proletariat has to be prepared to defend itself against it. Hungary and Italy have shown of what the white terror is capable.

One must only guard against understanding this analogy as if it were a historical law, an inescapable and unchangeable fate.

The bourgeoisie of 1789, 1848, and 1870, and the proletariat of 1789, 1848, and 1870, and both classes in 1920 and 1930 are not the same size and are not of equal proportions.

According to Karl Marx and Otto Bauer, the proletariat of 1793 was the pillar of the Reign of Terror. This crushed feudalism, a job that would have taken the fearful and considerate bourgeoisie decades to carry out, and thereby only created space for the bourgeoisie. However, if the proletariat overthrows the political rule of the bourgeoisie, then its victory is only temporary, only a moment 'in the service of the bourgeois revolution ...'. *Is this fighting and striving of the proletariat in the service of strangers an eternal fate?* How long should the proletariat be chained to this fate as [it is] to an historical law? Karl Marx set a limit to fate: 'In the course of history, as long as the material conditions have not yet been created, which make necessary the abolition of the bourgeois mode of production and therefore the definitive overthrow of bourgeois political rule'.

According to Marx, changing material conditions will create change. They have changed in many respects and they have advanced enormously, but according to Bauer not yet enough to make the overthrow of bourgeois rule necessary.

Nonetheless, the second Russian Revolution of 1917 – [undertaken] without the given historical conditions – threw all historical analogies and the law of the cycle (with restoration and its replacement the bourgeois republic, etc.) overboard. It brought about the overthrow, really the extermination, of the bourgeoisie and still, for the most part, maintained the bourgeois mode of

production! Obviously a new fact has intervened and altered the progression! The first reason for that is that a working class once organised and benefitting from war and other conditions represents a wholly different force than the unorganised proletariat upon which the young Marx had relied. Historical analogies always instruct, but they never prove [anything]. That's because every historical moment has its own circumstances and, therefore, its own law.

The European proletariat of 1918, which carried out the revolutions in Central Europe, is a completely different one than that of 1848 and 1871. Neither the June Days nor the slaughter of the Commune has repeated itself. *It is wrong, it is superficial, and it is an undeserved disparagement of the organised and mature proletariat, to see the transformations of 1918 as just paving the way for the bourgeois republic.* The proletariat acted *in its own name* and with *its own goals* and put its stamp on the republics of 1918 through universal suffrage and proportional representation, through the eight-hour day, through the factory councils, through social legislation, through school reform, and through the administration of thousands of large and small communities. If for the proletariat the revolution was a goal in itself, *then the republic has also everywhere partly become a proletarian republic.* Look at Vienna in Austria and Prussia in the Reich. And the result is that in many European countries, instead of experiencing a Commune or a June Days, and thus in a few days a disaster lasting for decades, the proletariat has had a decade of occasionally ruling alone or governing in partnership. Of course nothing goes unchallenged; naturally what has been achieved must be defended every day. That does not detract from the fact that the contemporary scene in relation to the bourgeoisie and to the proletariat is completely different than it was in 1871 or in 1848. It would be sad if sixty years of constructive work could do nothing against the fate of an historical analogy.

In truth, since 1920 – aside from the two dictatorial extremes (they, too, being without historical precedent) – we have republics that are neither of purely bourgeois or proletarian character. They are historical forms of transition that were unknown in the period before the war. The bloody interplay of revolution and counterrevolution – in the case of the dictatorships still likely – has eased. Today's republics are for the most part ruled by turns either by a bourgeois block or a left block. In the first case the proletariat is not without power, as is true for the bourgeoisie in the second. Both forms of blocks change over time. They come and go and come back again pushing the *dominant trait* of governance markedly toward one or the other side without necessarily causing the 'fall' of one or the other class – which unavoidably occurred immediately after the victory of Bolshevism [in Russia] and fascism in Italy. Experience today does not compel us to assume that the alternative is one of either this

or that collapse, but rather that fluctuations between the bourgeois block and the left are the rule. And *the material conditions of production* today are not such that *they would justify one or the other dictatorial alternative*. Seen through the eyes of Karl Marx, today's world is completely different than the historical analogies from past centuries allow it to appear.

That's why I don't reject [his] tactical conclusions but rather the path Otto Bauer takes to reach them. I believe they are not rooted in Marxist thinking; they are an induction from obsolete and incomplete experiences.

In the foreword to the second edition of Marx's *Capital*, Marx comments on the early German [school] of National Economy, which in corporative, petty bourgeois Germany was supposed to explain the construction of bourgeois society: 'It lacked the living soil of political economy. It was imported as a finished commodity from England ... In its hands, the legal expression of a foreign reality transformed itself into an assemblage of dogmas, interpreted by them in terms of the surrounding petty-bourgeois world and thus misinterpreted'. In a different sense Marxism is experiencing the same fate. Transposed from the reality of the preceding century into our world, it becomes solidified into a dogma when the virginal bourgeoisie and the unorganised proletariat are dragged out of the middle of the last century as unchangeable givens.

And that is now the second path that Otto Bauer has taken and one that I cannot take: he argues in this second essay – not always! – with class relations in Austria, with bourgeoisie and proletariat, with relations between both as the normal categories of the bourgeois world.

The open secret of our whole policy is that in this country nothing is normal. War and the dictated peace have left behind a completely unnatural entity – the whole of Austria is as eccentric as the location of its capital. We have industrial production, but for the most part it does not produce; we have trade, but too bad that it is unable to sell anything because of the new borders; we have banks, but they are in large part only commissioners for moneyed foreign powers; we have home owners, but the general living standard is so low that it cannot bear a rise in ground or house rent; we have capitalists, but all too often they no longer have capital; we have a capitalist class, but they are carrying out their main class struggle with settlement and bankruptcy administrators; finally, we have a broad middle and petty bourgeoisie that is becoming noticeably impoverished and a pauper is no bourgeois. This condition does not have the character of a crisis that comes and goes, but one of incurable suffering that has become constitutional. A class that is shaped and structured in this way simply cannot be handled like a bourgeoisie such as France's ... In German Social Democracy, at the Frankfurt Party Congress of 1894, Vollmar and Schönlink

were the first to bring forward a resolution on the peasant question, Eduard David's *Socialism and Agriculture* appeared at about that time [along with] Karl Kautsky's *The Agrarian Question* in 1899. The party was unable to draw any kind of conclusion before the World War. *The post-war revolutions decided the issue by way of experience.* The peasantry played a decisive role everywhere between 1917 and 1920, not as a party of the proletariat, but as an independent factor, as a class. Even communism always talked about it as an allied force with equal rights. Its slogan was 'workers and peasants'. Because the Russian peasantry was thoroughly revolutionary and sided with the Communists, it helped bring down the bourgeoisie. The same peasantry, also summoned by Social Democracy, followed it in Central and Western Europe but only halfway – to political democracy and even that only at the beginning. It only followed half-heartedly and failed to join it in the primary economic struggle against capitalism. *The reason for the revolution going down a different path is not to be found in the proletariat or the bourgeoisie but in the peasantry.*

What we must learn from this reality for the decade in which we are working – experience will show if its effect will be longer-term – is that the peasantry has to be treated *as a class for itself*, that it may not be thrown together either with the bourgeoisie (look at Russia) or with the proletariat (look at Central Europe). This should not occur when, as the most cumbersome class due to its mode of settlement and its economy, it appears politically encapsulated within parties of the bourgeois type (The Centre Party, the Christian Social Party, and others) and certainly not in the case, as in Czechoslovakia, where it forms its own party and is the real leader of the state.¹⁴

I am far from claiming that Otto Bauer does not see these facts or underestimates them. On the contrary. We have him to thank for the most penetrating insights into the agrarian problem, we have him to thank for the lion's share of our Salzburg Agricultural Programme (1925) and his work indirectly had greatly influenced the German agrarian programme [passed at] Kiel in 1927. The fact deserves to be mentioned that the pre-war period did not allow the clarification of the agrarian question [but] the post-war period had quickly brought it about. *Once again, experience led theory, decided the theoretical goals, and showed the clear path as follows:*

The programmes divide the rural population into three groups, into the owners of large estates and substantial peasants – whom one sometimes calls

14 Outside of Czechoslovakia the peasantry as a class has attempted to lead the state in Bulgaria, later in Croatia, and most recently in Romania. It was beaten in Bulgaria, there is a trial in Agram, and it is successful at the moment in Romania.

bourgeois peasants – into proletarian small peasants, and agricultural workers, the real rural proletariat, and into the peasants who work with family members on their own land. Today the programmes recognise the latter's ownership of property without reservation, treat them – who are not dispossessed – as a part of the 'working people', define them as a class with specific demands (hence the separate programme), and reclaim the peasantry as an ally of the proletariat. It is no longer assumed that progressive development will destroy this class between the bourgeois peasantry and the rural proletariat.

It is now simply impossible and downright absurd to label this peasant as bourgeois even when he meanwhile still marches in the wake of the bourgeoisie and when he forms a political portion of the bourgeois block. Yes, it is risky even to take the big peasant, the real bourgeois peasant, simply as bourgeois. We note – with the partial exception of France on the continent – that agrarian parties or agrarian fractions within the bourgeois parties are becoming increasingly independent. In Germany they have even defeated Hugenberg's extreme right! In Romania they have taken the helm from the bourgeoisie and govern the state!

Of course Otto Bauer knows that as well as anyone! But he uses a dangerous abbreviation when he sets aside this knowledge as a minor thing and speaks about a bourgeois republic per se in Austria. Dangerous despite everything; in spite of the fact that, at the moment, a large part of the rural population is following Seipel's slogan and is marching into the United Front and into the Heimwehr behind the Schwarzenbergplatz. That is what it looks like, but we know that the peasantry of Lower Austria, Upper Austria, and the peasants of the Landbund are wresting themselves away from the Heimwehr leadership with tough prudence.

In my opinion – things are in flux and anyone can see them differently from his vantage point – it is dangerous to speak of a bourgeois republic when one could just as well say, *'Austria is at the moment a peasant republic'*. A relatively narrow, indeed very influential layer, of the bourgeoisie, the rabble-rousing group (the largest industry but not the mid-sized industry, retailers but not wholesalers, rural but not urban intellectuals, and large estate holders), draws the rural population into its circle of interest with evil cunning and nice gifts. But the bourgeoisie as a whole does not govern, does not determine trade policy, is unhappy about the political turn of things, despairs about the economic misery and, astounded, asks 'This is mine? This is a *bourgeois republic*? You make me responsible for things about which I am more innocent than a newborn child, guilty at most because I have not understood how to exercise political influence? You force me to bear the political losses of a regime that damages my interest and that I myself loathe?'

It is as a result of this traditional but, as I believe, somewhat abbreviated and inaccurate way of speaking that *many, feeling insulted, turn away* from our party. This is how this manner of speech impacts the political sphere: the capitalist without capital, the capitalist facing a settlement or bankruptcy, the capitalist who, via a detour through domestic banks becomes the bondsman of foreign capital, no longer finds political enmity to be necessary, but on the contrary finds it a mockery, if he is stuck with the same labels today that he had put up with as comprehensible political hostility – perhaps with a smile – when he had secure profits in his pocket. It is precisely in this way that that section of the bourgeoisie, for a long time politically resigned to the republic and economically to the new labour constitution (factory councils, eight-hour day), the most valuable part of the bourgeoisie and a former political and economic opponent, [now] becomes an enemy. Opponents struggle but understand one another. Enemies do not understand one another. Enemies want to annihilate one another.

One knows that I reject sitting in the chair of the father confessor and talking about guilt and repentance. But, personally – I can't help myself – I regard that as our biggest mistake. We speak the general language of socialism without reservation in our *particular* country; we use the *language of the past* in our particular *present*, although this country and this present *are not exactly normal*. The economy of the country is not normal, the classes are not normal, and the reciprocal relations are not normal. Therefore, I keep coming back to [this point]: practical politics cannot be done effectively using historical analogies and theoretical categories, but rather only through the most careful observation of and most prudent adaptation to the realities of place and time.

It is now the difficult and almost sad task of Austrian Social Democracy to carry on the struggle between capital and labour in a country where, at the moment, capital has almost no capital. *Right now that is our basic problem*. And we cannot escape it. We can neither practically nor theoretically emigrate. We stand before the problem of *the country itself*, before the problem of *the nation as a whole*. That is the moment and that is the agenda! We must know and say that if we don't want to miss the mark and remain misunderstood. Above all, so they don't stay on the beaten track, we must tell our comrades to pursue and strive for things that are impossible. We also want to speak to others. *Otto Bauer* will rightly object that we always have the interests of the whole in our sights; he has grasped that most perceptively. Yet we have not expressed that with full clarity to ourselves or to those on the other side. All too often we have been unnecessarily misunderstood, even by well-meaning opponents!

I hear the objection: if the possibilities of class struggle have been narrowed to such a degree, then why are we still Social Democrats? At least that is how those people speak, who mean: no class struggle, no Social Democracy! In my view, socialism is *constructive community work*; that is what its name means! Whoever wants to understand its meaning should look at the effectiveness of the Viennese community! That this constructive work of the community can only go forward on the path of struggle against opposing classes is an exasperating collateral circumstance, which is very unfortunate, but it is in no way the essence of socialist striving. The ideologues of class struggle confuse the bitter shell with the uplifting core of socialism. Now I mean that just such an impoverished country and people which bears the struggle so heavily needs this constructive work of the community more than anything else, and that, therefore, we can say of ourselves above all: *Poscimus – one needs us, just us!* If the Austrian party counts as one of the most successful sections of the International, in my estimation it is not our *élan* in the struggle that we have to thank for it, *but rather our skill in creating positive things; they are what have brought the élan.* Whoever sees class struggle as the most important aspect of socialism confuses means and ends or, better, obstacles and goal. In order to lead our common spirit to victory, we have to fight against and defeat narrow-minded egoism. We don't get our enthusiasm for the fight from any kind of desire to fight, but from the loftiness of the goal. The joy of creation creates the joy of the fight or rather the obstinacy of the fighter, who burns to finally see obstacles swept away.

Will the bourgeoisie fall? That is no longer a mere objective, it has already been experienced in the East and it is no longer necessary for us to construe such an event from Marxist manuscripts from 1874. It is a real, problematic thing. According to Marx's comment cited by Otto Bauer, we should forgo acting in our own name and with our own goals and wait, 'until in the course of history the material conditions are created that make necessary the abolition of the bourgeois mode of production and therefore also the definitive overthrow of bourgeois political rule'. No – the most realistic experiences compel me to dissolve these blinding antitheses in an organised succession. How do the comrades in the Vienna community do it? They let the heads of household remain the heads of household and secure the construction sites next door for their new buildings. Drive the constructive work of the community forward and struggle as well, as much as is unavoidable and in forms that do the least damage to the community!

That's how I understand socialism today. I won't let myself be driven crazy by what might be different in old books. I won't deny for a moment that things could occur differently tomorrow. First of all, though, we have to serve the present.

This constructive spirit, which for me is identical with socialism, naturally has the whole world as its object. We, however, live in a dwarf state that is of little significance for this world and is anything but typical! The World War violently dislodged economic and also the cultural centres, altered all trade routes, and shifted the vibrant life from the heart of the continent to its margins and from the inland seas to the ocean of the world. Unfortunately, in this global march of civilisation we have been left by the side of the road – there are other states like us that are still unwilling to believe it – and therefore we constantly seek ‘annexation’ to the troops marching past. We Austrian Social Democrats can only have a very indirect impact on the world as a whole. It is now our lot to build where we are, in *our land and among our people*. It is useless to wish for a different country and people; we have to take both as they are. Who would not rather defeat a fully mature capitalism with its rich inheritance? Unfortunately, we are not stopping at this final point. I think, in one of the prefaces to Marx’s *Capital* – the book was written quite a while ago – we read: Germany suffers just as much from capital as from the shortage of capital! A situation that no longer applied to Germany shortly before the war is today true for us. Lamentably, we suffer more from the lack of capital than from capital itself. Our economy is in no way balanced or robust. *But one must have this. It is the necessary framework of all class struggles.* We are called first *to build it up* – and in the phase in which we are now stuck, *in the country in which we live, we cannot do it alone, we also need the others.* That is the decisive reason for any kind of coalition here. The others, too, cannot do it alone. That was proven in Austria by the experience of the last ten years of bourgeois economic policy and by the recent years of economically destructive Heimwehr policy. It is proven simply by the circumstance that the bourgeoisie, focused on private transactions, cannot muster the required economic public spirit on its own, as the study of the economy shows with its two watchwords of tax and wage reductions and lack of any positive economic ideas.

That which Social Democracy has accomplished since 1848 irrefutably reveals its strong will and great skill in reconstructing the people and the country in a new community. We were the master builders of the *state*. We revived the *economy* again and – we have no illusions about the phase in which we are operating – *the whole people benefitted from it.* The people of Vienna were impoverished, homeless, and sick after returning from the war. We fed them, housed them in our public housing, and helped them in our welfare agencies. *The whole city benefitted from that,* not the least the bourgeois who deny it today. Constructive public spirit! That which we have actually accomplished, however, has not always lived up to what we said and how we said it. None of us thought that under such circumstances it would be possible to replace the

bourgeois class state with the proletarian class state. On the contrary, we constitutionally established the system of proportional representation and governance for all classes. Nevertheless, by sometimes speaking and writing in an offensive way, we contributed to the circumstance that thousands upon thousands of the little people, for whom we have honestly made great efforts, were misled and intimidated, so that today they can be genuinely convinced by hypocritical Heimwehr agitation that they should expect dictatorship at any minute. Indeed, a dictatorship that aims to lead the egotistical special interest of one part of the people against the general good, a dictatorship, which it is a moral duty to avoid through an opposing dictatorship!

Each section of the International impacts the conditions of its [respective] country and meets the needs of this country. When it fulfils these needs then it best serves the working class and creates the strongest possible position of power for it. The party knows that I have always supported the tactics of German Social Democracy. Over the last ten years, through many tests and dangers, it has used all its power to lead the nation and the Reich out of the isolation caused by the World War, to simultaneously free it from its isolation in international law and to bring it back to the negotiating table of all civilised peoples, to overcome the war in the psyche of the nation, to truly make peace intellectually, to rescue the country from enemy occupation, and to end the incredibly deep rift caused by the war between Europe's two oldest civilisations – 'arch enemies' for over a thousand years. This was all work for the country and the people but a class fanatic might ask: what does such a policy have to do with the working class? What a short-sighted viewpoint! It is the greatest service for the class *to give it the historical honour and dignity for having brought the whole people forward and led it upwards!* I believe it to be just as short-sighted to say: 'You see! Scarcely had Social Democracy done so much good for the nation and it is already harvesting the nation's ingratitude as it throws itself into the arms of the bourgeois block and summons those to govern who denounce the party's greatest service as treason' (Oskar Pollak, p. 104.) Just hold on! Peoples and classes don't change their attitudes over days and weeks. The time will soon come when Social Democracy will harvest the votes of the masses and thereby the thanks of the nation. It has not gone differently here. Our work from 1918 to 1920 had suffered very much from the doubts and accusations of the masses, the same masses that today know well how much they have to thank that epoch for! A party must be right *in the end*, rather than make the appearance of being right at every stage.¹⁵

15 That against Pollak's warning of rebellion and division! Due to fears of a possible apostasy

German Social Democracy has honestly taken on the tasks put before the country and the people in a particular epoch.¹⁶ We have always done the same, even in the opposition! We were the ones who showed the whole country the road of annexation. When our finances were in ruins we showed the way to recovery under our own power and today there remain few serious critics who would not have to concede that our way was better! We have shown, with practical models, how one can meet the industrial crisis with public works and how one can organise exports to Russia. We warned about the approaching agricultural crisis and were the first to demonstrate the grain monopoly as a way of fending it off. We first proclaimed the necessity of domestic disarmament at a time when that could have meant danger for our party. If one examines what has been accomplished over the past ten years, then one soon becomes convinced that the bourgeois block carried out, half-heartedly and bowdlerised and one or two years later, the policies that we have thought up and preached. I don't understand then why we don't conclude before the whole people: *Look, Social Democracy is called to lead the country out of chaos, to restore its economy, to secure its domestic tranquillity, to guide it in the spirit of freedom, and to secure the common good!* I am compelled to express myself in this way because the stupid brains of a Steidle and a Pfrimer* are able to convince naïve followers that we have no other ambition than going for the throats of the bourgeois and, taking mechanistic revenge, replacing the class rule of one through the class rule of another. *In truth socialism wants the abolition of all class domination!*

I believe the way one speaks is not as unimportant as some of our comrades.

I suggest a different diagnosis for Austria as it is than Otto Bauer.

Austria is now a petty bourgeois-peasant republic with a well-organised and self-aware proletariat.

on the left, many of the best Social Democratic thinkers overlook how much more we have achieved on the right and how much greater the loss there can be.

- 16 In this regard – I am not talking here about other tasks – Czech Social Democracy has also fulfilled an historical mission – sometimes with great moral sacrifice – by cooperating with the Czech peasants to construct and consolidate the young republic as it emerged from the war and the peace treaties. This work was linked in parliament with the names Tusar and Svehla, representatives of the workers and peasants. In the process the enormous intellectual distance between the political leadership of the Czech and Alpine peasants became very noticeable! Svehla made his class into the unalterable axis of the new state. The Alpine peasant, meanwhile, was Seipel's obedient servant.

* Richard Steidle (1881–1940) was the leader of the Austrian Heimwehr. Walther Pfrimer (1881–1968) led the Heimwehr in the Austrian state of Styria.

This petty bourgeois-peasant republic is a federation dominated by the Church's influence, which at its heart bears the Republic of Vienna, dominated by Social Democrats.

All the classes of this commonwealth are showing signs of political disappointment that is intensifying to the point of fanaticism.

The *big bourgeoisie* is disappointed [because] its old state, the form of state it loved, went under; it hoped to be able to retain big business within this dwarf state but it cannot; it hoped to save big business at the expense of the working class and to crush it using the Heimwehr, the constitution, and terrorist laws – and it cannot do it!

The *petty bourgeoisie* of Vienna and the provincial cities took over the republic with its agents and now sees all of its gods in short sleeves besmirched by bank and other scandals!

The *peasantry* did well in the commodity crisis of the post-war years. It improved its economic operations and raised production. Once the world market had been restored, however, it found itself suddenly crushed, indebted, and condemned to impoverishment by the world economy.

The *proletariat* established the republic and sees itself as excluded from it for a decade. It had honestly and unselfishly cooperated in the construction of the economy (consider rationalisation) and now watches the economy shrink, forced out of the world market while the proletariat itself is damned to unemployment and reduced hours.

All these classes are equally disappointed and none sees itself as the master and victor.

The final cause of this general disappointment is the problematic geography of this truncated and shrunken economic area and the associated abrupt collapse of all intellectual and political life to a small-time provincial level!

This disappointment becomes fanaticism above all among those who have been declassed: among the army of former officers and officials, the intellectuals with no prospects, the unemployed lackeys at all levels from former gentlemen of the court to royal servants. They above all have become a danger to the new state. Large estate holders, industrialists, and bank authorities have taken the declassed into their pay and created an armed force in order to again take complete control over the state.

To the extent that their brutal violence reaches; to the extent that the disappointed of all classes are able to take power for themselves; to the extent that the leaders of the petty bourgeoisie and the peasants let themselves be attracted to or intimidated by them; that is the extent to which this commonwealth is truly already a demagogic state, a bourgeois republic. But only to that extent!

Praetorians of that type have the tendency by a fair wind to make themselves independent and to enslave everyone, even their recruiters and breadwinners. To the extent that they have succeeded in achieving this, the republic is a gangster state.

That was the direction of Seipel's governance as it ran the republic's economy into the ground during the ten years of the bourgeois block. One could speak of it in such terms and thereby express the reality of the situation. But to mention a proliferating ulcer on the body of our commonwealth is not to describe it exhaustively. After all, the country has reached the point that there exists the serious danger we could really become what these labels describe. That we have reached this point and become a hotbed of political agitation threatening to degenerate into a gangster state is the result of Seipel's politics and not any historical law.

Where shall we find salvation? It can only come from the working class of this country, from workers of hand and brain, from Social Democracy, even though the latter cannot carry the job through to the end by itself.

Between 1918 and 1920 it had proved through action that it was able to lead the people out of the most difficult disaster. It understood [the need] to build a new state on the ruins. Through its positive work in Vienna it had practically engaged the constructive spirit of the community and proven that a people can recover once again.

The working class is the only social class that has no private interest; the individual worker's interest is the direct community interest. It is the only class whose being rests exclusively on work, on service to the commonwealth, and not on special rights and special property.

It is the only class of this country which is free from the intellectual narrowing of our life. No one in particular is responsible for this narrowing – it results from the country's situation – but it is Seipel's fault that the degeneration of the world spirit into nonsense about the motherland is proclaimed to be a merit and a virtue. Everyone loves his homeland like his mother. What would be the sense of having an organisation of those who love their mother?

Today the eyes, the brain[s], and the aspirations of every advanced nation are aimed at the wider world. We live in the epoch of world economy, international transport, and worldwide culture. Eyes, brains, and aspirations of a people condemned by external circumstances to paralysis, squeezed into their so-called 'homeland'. It is no accident that the reaction mobilises and marches under the slogan of 'protecting the homeland'.¹⁷ Austria is condemned to be a

17 That the official Heimatschutz has come into conflict with equally official *tourism* is

country without the world; it is dissolving itself into homelands (Heimaten). In this narrowness not only every class, but also every district – because, taken together, the space is too small – seeks to place the burden of the fate of the whole onto the others: the federal states onto Vienna, the rural population onto the cities, the producers onto the consumers, and, where possible, all onto the proletariat.

Under this pressure the proletariat is the only class that bears all the burdens and that cannot offload them onto others. It is the only one that – without deriving a moral title from it – is *by nature just*. It is the only class that is *constantly tied* to its counterparts around the world. Social Democracy is the only world party in Austria. All the others are local and provincial parties that are not found outside the country or even scarcely in the successor states, although these share our history. *In the general intellectual collapse that afflicts us, Austrian Social Democracy is the sole power in the country that has remained true to civilisation and culture. Consider our confessional legislation in regard to divorce law, school reform, and above all our universities!*

Therefore my confidence is rock solid that in a short time the political leadership of this country must devolve upon Social Democracy. I say this cautiously: the leadership, not lordship, not power. Our opponents, for example, call domination the exhausting service to the community that our comrades in Vienna provide with every ounce of energy they have. They call power the shameful feeling of powerlessness that each of us feels when he can only eliminate a small part of the misery and is only able to realise the beginnings of that great renewal of human existence which stands before the soul of each and every socialist and which he summarises in the idea of socialism. They accuse us of being addicted to power and the desire to dominate, but we have relied on the convincing word and exemplary deed, not on brutal violence, the sole instrument with which our opponents operate! We have the ambition, though, to lead with convincing words and exemplary works. We don't hesitate to say that we want to lead in Austrian politics and we openly demand that the residents of this country entrust us with their votes to this end, *because we sense in ourselves the power and the will to lead this country and people into a better and freer future in the community of the free peoples of the earth!*

reaching the point of becoming comical. Every time Europe enters the country or the Chancellor of the country visits Europe, one has to hide the Heimatschutz!

Karl Renner, 'Ein Anderes Österreich. Dem Entscheidungskampf entgegen!' 1930, *Der Kampf* 23, 6/7 (June/July): 241–56.



Will Democracy Prove Itself? (1932)

Ferdinand Lassalle compared universal suffrage to that miraculous mythical lance that simultaneously heals the wounds that it causes. The franchise is the most important means of democracy, elections are a nation's sole means of self-governance, and Lassalle's comparison is also valid for democracy: it causes injuries, but it also heals them.

The crisis of German parliamentarianism, of the Reichstag, of the Prussian Assembly, and therefore of Germany's constitutional order has justifiably deeply shaken all friends of the German nation and all champions of the democratic system. They are gripped by painful regret about the fact that it was possible, in a nation of 60 million people, for a third to succumb to the ruinous fascist demagoguery of the swastika and, shortly thereafter, to the scarcely hidden domination of a minority hostile to the people, the Junker caste. The fact is simple and alarming enough that in a passionate popular election Europe's second largest country chose a representative assembly and a few days later sent it home as if it were a delegation of burdensome, intrusive supplicants! The haters of the democratic ideal celebrate, but even some of its supporters are shaken in their belief and fear that a Junker-capitalist dictatorship could remove the German Reich from the ranks of democratic, constitutional states for years to come and, under certain circumstances, could carry out a monarchist restoration. Those of little faith provide historical examples: the restoration in England, which, after the revolution of 1649 and the exile of the Stuarts, brought them back to the throne for a number of years, and the restoration in France (1815–1830), which had followed the French Revolution and the regime of Napoleon I. Anticipating such a restoration, they express concern about the possible impacts of such events on Austria and how the Austrian party would react to them.

If I reject such lack of faith, I do not do so with the intent of belittling the danger of developments in Germany and of making light of it here or with our fraternal German party. We have to keep an eye on fascism and, lurking in the background, monarchism, at all times. The more alert we are then the possibility of democracy being taken by surprise – as occurred with Mussolini's success – becomes all the weaker. We should and will remain armed

and this constant state of readiness is in itself nothing other than a necessary characteristic of democracy. But it is completely mistaken to encourage the reaction by doing it the favour of overestimating it, by reckoning with its victory under certain circumstances or even operating as if its victory in Germany were certain.

It has a long way to go for that. Germany is not Russia and it is not Italy and 1932 is not 1922! The German Reich with its far-reaching autonomy, with its antagonism between north and south Germany, with its antipathy between Protestantism and Catholicism, with its Central European situation, with its ties to the world economy, with its contemporary economic, social, and cultural maturity is a commonwealth, which must be evaluated differently than Italy or one of the new states and, above all, scoffs at any historical analogy. The idea of fascism, which may have been attractive to the petty bourgeois for the last ten years, has lost a good deal of its magic after the fall of the dictatorship and after the revolution in Spain and after the economic and financial poverty of the Hungarian and Polish dictatorships. But monarchism in Germany remains at a disadvantage due to the diversity of dynasties and the lack of a single dynasty that can tie the whole nation together. In my view the danger is not that a type of fascist dictatorship or a monarchy takes power for a time in Germany, it is rather that an attempt to introduce a system of violence leads to a putsch and to a civil war, a civil war that really impoverishes the country, completely dragging down its European prestige and bequeathing to the proletariat, inevitably victorious in such a struggle, a poor house with more than sixty million inmates, which would require 50 or 60 years of hard and thankless work to restore as a cultural centre.

Such a danger, such a development, is not inevitable or unavoidable! Democracy, which German Social Democracy achieved at such great cost in the civil war between 1918 and 1920 and which was maintained with such effort and sacrifice in the decade that followed against the Kapp Putsch and foreign difficulties, still faces the test of battle today. It maintained itself against open and mindless violence against the Kapp Putsch, and the organised defensive power of the trade unions was decisive for its victory. The current test is more serious. National Socialism has set out to quash democracy in principle and as an idea, and this idea of negation has attracted more than a third of the people. It has attached to its following a militarily organised formation and openly set for itself the goal of seizing power, all power, of abolishing 'dumb electioneering', and of *establishing an absolutist regime over the German nation*. The coup d'état of a large and apparently united part of the population in the name of an 'idea' is something other than the surprise attack of a few thousand conspirators.

As young as the National Socialist movement is, its history is long enough to perceive its inner laws. The only means that it initially, from the beginning, brought to bear is *naked violence*. It does not first discuss; it takes action. It does not engage in parliamentarianism, it delivers a blow. It makes no compromises; it simply uses force to get what it wants. In a population that is adrift, that is not democratically schooled, and is clueless, such a plan can succeed – look at Russia, look at Italy. In the German Reich this movement toward violence immediately creates the readiness to fight back. The Reichsbanner Black, Red, and Gold and the Iron Front *make democracy defensible* and the attempt fails. It has failed. Because continuing [this violence] means inevitable civil war and because the increasingly ruthless petty bourgeois can tolerate a lot of racket but never a civil war, National Socialism finds it necessary to disavow violence and to commit itself to ‘legality’. Though it might have done this with the mental reservation of abandoning legality later on, it set this means aside for such a long time that it became unusable. In this phase democracy, which has become well fortified, *does not fail but proves itself!* Hitlerism, which aims to annihilate all parties, is itself forced to become a political party, one party among the others, though with the conceit that it soon will be the sole party. But neither the internal reservation of illegality nor the internal conceit of being alone in the world changes any of the facts. To have forced an antidemocratic movement onto the terrain of political and parliamentary democracy, to have forced it onto the terrain of democracy, is not a failure, but on the contrary proves the worth of the democratic ideal!

National Socialism lives in the fantasy and announces as its great virtue that it constitutes the united nation. ‘We are the nation!’ is the battle cry of the Hitler men. In this conception lives the denial of democracy, of its necessity as well as its advantages and disadvantages. If the nation were really united, as it is in the imagination of the movement’s ideologues, then it could leave governance in the hands of some state and private legal experts. Their task would simply be to correctly write into law what everyone wants anyway and about which a dispute would not even be possible. But every modern nation is a majority of classes, a variety of professions, an endless diversity of ideas and worldviews, which of necessity are in conflict with one another. Whoever – like a god above – would like to undertake simply distributing to each group what seems to him to be just, nobody would be satisfied and even those who gained practical advantage would find the amount inadequate. Where would the standards be set for what is right and fair, since no one would have to judge or to speak? Therefore, every absolutist regime vexes even the privileged.¹⁸

18 It is very significant that those who declare the actions of the Papen government to be

And that is the necessary and salutary function of democracy to bring together opposing groups in the common arena of the representative assembly, to force them reciprocally to take their own measure and, from the conflict of interests, to work out what is possible and necessary. The art of managing this process is the task of the democratic leadership of the state.

Two things are required: both the declared, publicly carried out conflict of interests and ideologies – what the politically ignorant call party strife – as well as the best agreement based on facts and timeliness! One requirement forces and justifies the party system! The term ‘party’ has its origins in court proceedings. Just as little as the whole truth becomes known in court except when an accuser and a defendant face one another and have it out, public life in a society divided by class and profession cannot dispense with the party system. It provides the strongest protection for every individual citizen. The party competition for supporters empowers every individual complaint and none remain unheard.

The other requirement, that of an agreement in the sense of what is generally the best thing, forces the parties together to form parliamentary majorities and forces them to push through their cause – the object of the internal agreement – against the minority, which is protected from rape by the rules of parliamentary procedures. Both the right of the majority to decide, like that of the minority to be heard and considered, are essential to democracy. And no law that is passed via the normal parliamentary route is based on the naked, ruthless will of the majority. Almost all bear the marks of the cooperation of the minority. What is decided is established as a law heard by the whole people and anyone impacted by it for good or ill can measure for themselves its benefits and burdens. Democratic parliamentarianism, therefore, is simultaneously the single reliable procedure to legitimise the law and the state before the entire people.

Hitlerism set out to annihilate this valuable institution for the ascertainment of what should be lawful, the only method available to legitimate law and the state in the eyes of the people. It aims to replace it with the infallible will of the Führer, Adolf Hitler from Braunau. According to ancient peoples, the lawgivers themselves were either gods or had some kind of godly aura. Their inspiration established the law. Obviously Hitler also enjoys such godly grace!

The ignorant person does not know it or the fool does not want to admit that within the German nation there are others who, with greater claim to belief

unsatisfactory include the agrarians and heavy industrialists who have benefitted the most from them.

and with the whole weight of historical right, say of themselves that they stand under God's grace! As soon as parliament, elections, and parties are gone, they have the first right to rule! And so with the look of innocence he strides to the threshold of power and demands entrance.

But one says to him: 'You yourself have said: Germany cannot bear a regime of parties – and still you, too, are just a party! In your own words Germany rejects parliamentarianism, [but] you want to found a parliamentary government? What a mistake! No compromise! No coalition! No agreements! No undignified, immoral horse trading! How right you are about that, but won't you do it, too? ... The office rests upon us; the aristocrats rest upon us; the grace of god rests upon us! We fulfil only your own wish and realise your ideas! Go forth and be satisfied! You wanted it this way!'

And what does Hitler answer? What does he do? Does he appeal to the first means, that of violence? He cannot dare it! Because organised, disciplined violence is far superior to his dilettantish playing at soldiers. His extra-parliamentary violence melts away to nothing. Hitlerism's second phase is over!

Only one thing remains: The appeal to democracy! And those people who have set out to curse it must bless it; those who aimed to destroy the holy relics of democracy are now forced to pray to them. They enter into their third phase:

As one party next to other parties they seek agreements and coalitions. They are no longer the nation; they are a part that seeks other parts in order to form a majority! Majority rule is that which they have labelled democratic lies and deceit! They call for representative government, defend their rights, and leap to defend them in new elections! They who aimed to abolish 'stupid electioneering' and wanted to destroy the parliament! Parliamentarianism is now the right way to law, to the state, to power! They protest against the breaching of the constitution, that *Weimar Constitution*, which they have condemned a thousand times as an atrocity of the November criminals, as an un-German western concoction! *And so they discover the value of democracy!*

And so they discover that the superior people, those of high value, who according to their earlier speeches were delivered up to the inferior rabble under the republic, these, too, are really only one class of the nation; that these lords of yesterday – the barons, Junkers, and bureaucrats are, as well, only a disappearing class with whom the nation's overwhelming majority has to fight it out in real class struggle. They suddenly act as ringleaders in this struggle of all the remaining classes against the one; they even dream of an agreement with the evil Marxists in order to overthrow this one class that had given rise to them.

Has democracy really failed? Has it not forced its most tenacious, arrogant opponent and hater to convert? Let them go once more through the purgatory of elections and they will be purified! As a bourgeois party they will patiently

seek agreements with the others, patiently place the yoke of the conservatives and of the Centre around their necks and pull the wagon of a right-wing government, whether this will be a presidential or a mixed government or a government of parties. The German Reichstag will remain, as will the essence of the Weimar Constitution, however much one falsifies its specifics. The proletariat will no longer have many advanced posts in the state apparatus and thus pays the price for its unfortunate division. One can only hope that today's Communist party of the proletariat recognises that Germany is neither Russia nor Italy, and that the proletarian slanderers of democracy have, by participating in it, also been educated and are in a position to learn as much from this experience as have the National Socialists. This is not a certainty – it can very well occur that democracy as a system does not fail, but the working class in the democracy fails. If it does, it would also be possible for the Junker regime to consolidate itself and for the pessimists to have been right who viewed fascism in Germany as inevitable. On 6 November the German nation will vote again, but this time not to *denigrate the principle of democratic representation, but rather in order to save it, to strengthen and realise it*. In the second election democracy will heal the wounds of the nation opened in the first.

Karl Renner, 'Versagt oder bewährt sich die Demokratie?' 1932, *Der Kampf* 25, 10 (October): 401–5.

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